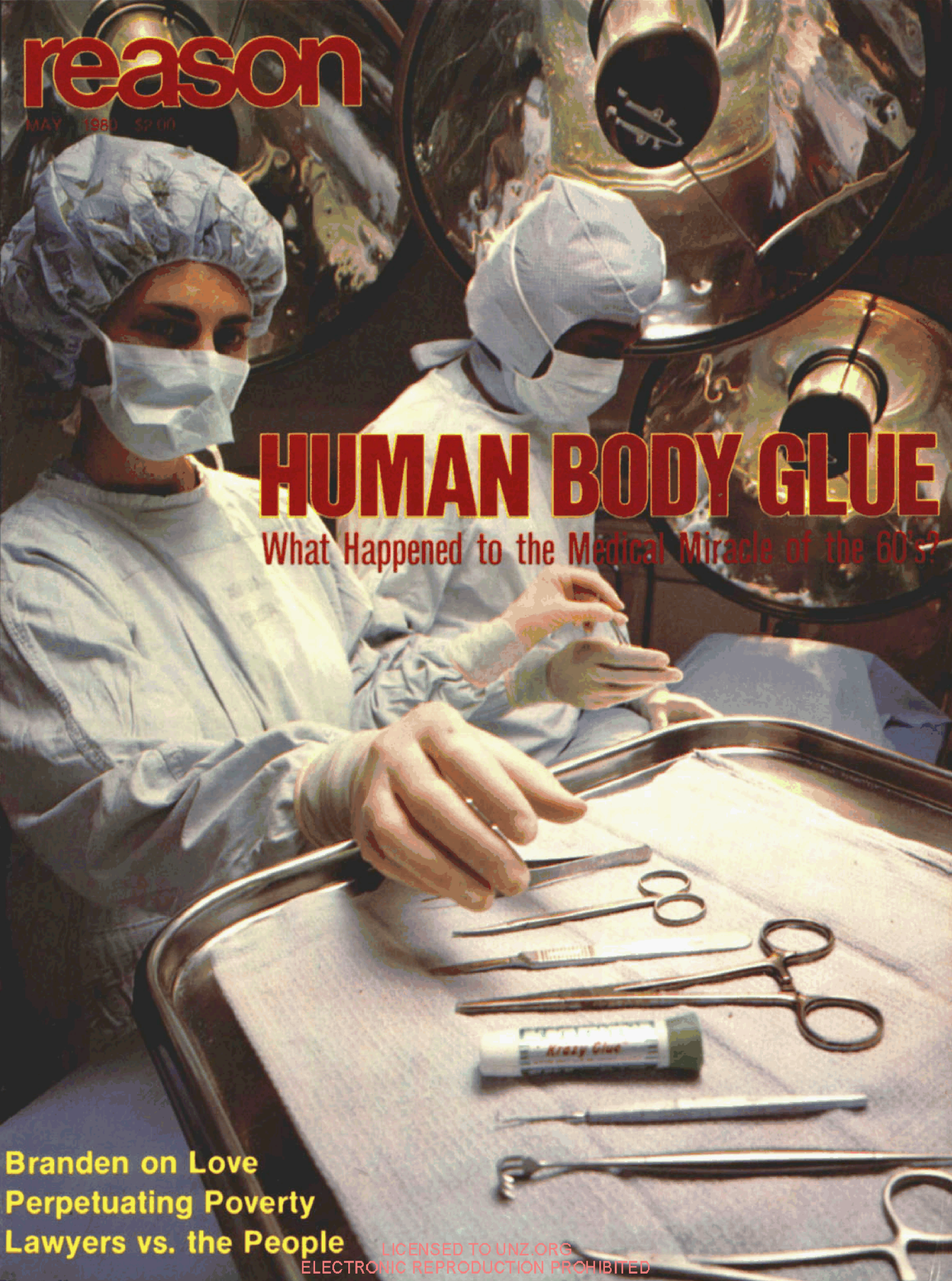
reason
MAY 1980 $2.00



HUMAN BODY GLUE

What Happened to the Medical Miracle of the 60's?

Branden on Love
Perpetuating Poverty
Lawyers vs. the People

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"It's just a matter of time before the President seals your safe-deposit box and confiscates your silver and gold." —Dr. Franz Pick

"Safe-deposit boxes are NOT the ideal place to store silver and gold," warns Dr. Franz Pick, world-renowned currency authority.

"Above all, you cannot visit a safe-deposit box over a weekend. In many countries—during monetary crises or before devaluations—renters of safe-deposit boxes have gone to their bank on Monday, to find that their boxes were sealed and now could be opened only under the noses of the authorities."

The Precedent Is There

This may seem far-fetched to you. Perhaps you think that this could never happen in America. But the precedent is there. The United States Government already confiscated its citizens' gold once this century—in 1933.

Moreover, under Executive Order #11490, (Assigning Emergency Preparedness Functions to Federal Departments and Agencies) once a declaration of "national emergency" is made, the President can:

- Prevent transfers of money outside the United States;
- Freeze your checking and savings accounts;
- Seal all safe-deposit boxes and *confiscate your silver and gold.*

"It's no longer far-fetched"—Dr. Pick

"And let me remind you," warns Dr. Pick, "that President Carter has already used some of his national emergency powers when he froze Iranian assets. And again, a few weeks later, when he suddenly suspended futures trading in oats, wheat, soybeans, and corn because of the Afghanistan crisis.

"It's no longer far-fetched that one Friday afternoon President Carter will simply declare the Executive Order to be in effect. On Monday, you'll find your safe-deposit box sealed so your silver and gold can be surrendered to Washington."

What Should You Do?

How do you protect your assets when the government has vast, arbitrary power? Should you take a trip to Switzerland and open a safe-deposit box *there*? Buy Swiss Francs? West German Mark? Or should you turn your silver and gold into Dollar-denominated assets? Just what should you do?

"I can tell you."—Dr. Pick

If you want answers to questions like these, there's only one place to turn. It's a monthly report published by the man who's probably the most famous—and controversial—currency analyst in the world today. The name of the publication is the PICK WORLD CURRENCY REPORT. Its publisher is Dr. Franz Pick.

On any one day Dr. Pick may be helping a real estate developer acquire cheap Peruvian Soles or Brazilian Cruzeiros to buy property in South America; showing an Australian manufacturer how to hedge against further depreciation of the Australian Dollar; showing a Swiss holding company where to buy high-yielding South American money-market instruments; assisting an American corporation in buying tin at less than the world market price by using Thailand Bahts; or providing businessmen and top government officials with the realistic free-market rates for currencies.

Dr. Pick has lived through several runaway inflations in Europe. He not only survived financially—he prospered.

Dr. Pick knows the causes of impending crises—and the consequences. He knows how to maximize your chances for your monetary survival.

In the monthly PICK WORLD CURRENCY REPORT, Dr. Pick—and his personally trained staff—discuss such topics as:

- How to greatly reduce the risk of asset confiscation.
- How the Soviet-bloc nations profit from the destruction of the Dollar.
- At what level will the gold price stabilize.
- Why the government will attempt price controls on gold. What it means for the economy and you.
- How Washington uses its power to *de facto* nationalize American banks. The impact on you.
- What is the single worst "investment" to put your money into? (Hundreds of thousands of Americans buy this "trash.")
- Is OPEC already set to drop the Dollar as the monetary unit for oil payments?

Special Introductory Offer

Subscribe now to the PICK WORLD CURRENCY REPORT and receive 3 months (3 issues) for only US$75—a savings of US$25 off the US$400 regular yearly subscription price. Or, subscribe for one year and receive as a FREE bonus a personally autographed copy of Dr. Pick's book—THE U.S. DOLLAR: AN ADVANCE OBITUARY. (Thousands sold for US$42.22.)

The PICK WORLD CURRENCY REPORT

Currency:

Trends . . . changes in exchange rates . . . revisions in foreign exchange controls . . . strongest and weakest currencies for the month . . . free-market currency rates for 96 monetary units unavailable anywhere else . . . up-to-the-minute review of free foreign exchange markets . . . currency developments in Common Market, COMECON group and other currency blocs.

Silver, Gold, Diamonds & Metals:

Price movements and dealings in bar gold and coins in 46 international trading centers . . . a chart of gold price movements in Zurich . . . volume of international gold sales . . . what's happening and why in the silver markets . . . a chart of silver price movements in London . . . prices and activities in the diamond markets, as well as in the ferrous and nonferrous metals markets.

© 1980, Pick Publishing Corporation

PICK PUBLISHING CORPORATION RE-1
21 West Street, New York, N.Y. 10006

I wish to subscribe to the PICK WORLD CURRENCY REPORT.

☐ One year: (12 issues) US$400. I will receive a FREE autographed copy of Dr. Pick's book, THE U.S. DOLLAR: AN ADVANCE OBITUARY.

☐ Introductory Subscription: 3 months (3 issues) US$75.

☐ My check or money order is enclosed.

Please charge my ☐ Master Charge ☐ Visa

Account Number_____ Expiration date_____

Name_____

Organization_____

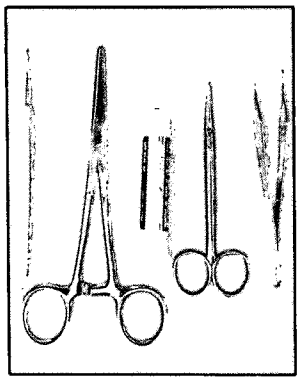
Address_____

City/State/Zip_____

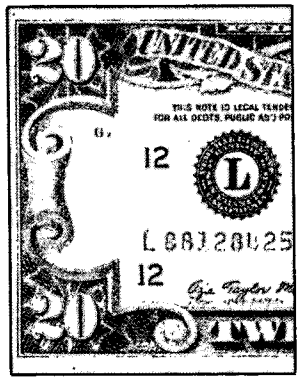
May 1980/Vol. 12, No. 1

reason

A forum for analysis and commentary, with an emphasis on individual liberty.

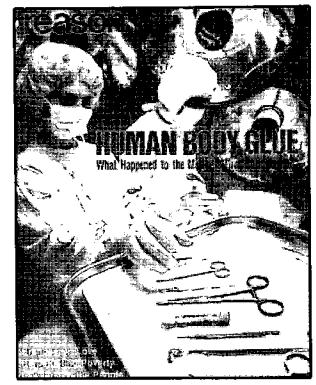


Banned miracle 20



Money trouble 31

Poor choices 32



Cover photo by Bill Boyd

WHATEVER HAPPENED TO HUMAN BODY GLUE?
During the '60s, medical researchers were onto a miracle drug. Today, it is widely used overseas, but it may never be available in the United States. Who should be held accountable for the suffering and loss of life?
By David A. Mathisen **20**

THE HUMAN VALUE OF SEX
Why people think it's so important, what human needs it fulfills, how it fits in with romantic love—the author of The Psychology of Self-Esteem *answers questions about sexuality.*
By Nathaniel Branden **28**

EVEN THE GOVERNMENT WON'T TAKE IT
A frustrated citizen recounts a revealing story about the dollar.
By Eric A. Westling **31**

HOW TO PERPETUATE POVERTY
If there's one thing the welfare system does effectively, it's to keep the poor from improving their lot.
By Bruce Bartlett **32**

BARRING COMPETITION
Lawyers were sitting pretty until government started withdrawing its support of the legal monopoly. But the organized bar is not taking it sitting down.
By Doug Bandow **37**

EDITORIAL/The Antibusiness Mentality **6**
VIEWPOINT/The Silly File **41**
SPOTLIGHT/Gold Entrepreneur **42**
TAXES/Eat Your Heart Out, IRS **43**
CONTENTS OF VOLUME ELEVEN **51**

EDITOR'S NOTES **4**
LETTERS **8**
BRICKBATS **11**
TRENDS **12**
MOVIES **43**
BOOKS **45**
RUDEBARDS **48**
CLASSIFIEDS **50**

REASON is published monthly by the Reason Foundation, 1129 State St., #4, Santa Barbara, CA 93101. Tel. (805) 963-5993. Second class postage paid at Santa Barbara, CA, and at additional mailing offices. Postmaster: Please send Form 3579 to REASON, Box 40105, Santa Barbara, CA 93103.
Copyright © 1980 by the Reason Foundation. All rights reserved. Opinions expressed in signed articles or columns do not necessarily represent the view of the editors.

CORRESPONDENCE: Address comments, manuscripts (for return, please include a self-addressed, stamped envelope), classified ad orders (with full payment), and subscription orders to REASON, Box 40105, Santa Barbara, CA 93103. Two copies of manuscript required. Author information sheet available on request. Address mail concerning display advertising to Robert Bakhaus, 1129 State St., #4, Santa Barbara, CA 93101.

CHANGE OF ADDRESS: Please allow six weeks for change of address. Send address label and new address to Circulation Dept., REASON, Box 40105, Santa Barbara, CA 93103. Requests for missing issues due to late notice of change of address, or older than two months from current date, will not be honored unless accompanied by payment.

ISSN 0048-6906

reason

EDITOR
Robert Poole, Jr.

ASSOCIATE EDITOR
Marty Zupan

SENIOR EDITORS
Manuel S. Klausner
Tibor R. Machan

ASSISTANT EDITOR
Christine Dorffi

CONTRIBUTING EDITORS
David Brudnoy
James Dale Davidson
Edith Efron
Mark Frazier
John Hospers
Eric Mack
Henry G. Manne
William Marina
Karl Pflock
Lowell Ponte
Alan Reynolds
Murray Rothbard
Thomas Szasz

FOREIGN CORRESPONDENTS
Prakash Aswani/Middle East
Rick Bolstler/Canada
Anne Brinckner/Denmark
V. R. Forbes/Australia
Ole-Jacob Hoff/Norway
John-Henri Holmberg/Sweden
Hubert Jongen/The Netherlands
Riccardo La Conca/Italy
Henri LePage/France
Leon M. Louw/South Africa
Guy de Maertelaere/Belgium
H. Joachim Maitre/West Germany
N. G. Molinelli/Argentina
Luis Reig/Spain
Pauline Russell/England

DEPARTMENTS
Steve Beckner/Money
Tim Condon/Taxes
Thomas Winslow Hazlett/Brickbats
John Hospers/Movies
Randall K. Hylkema/Rudebarbs
John R. Lott/Spotlight
Robert Poole, Jr./Trends

ART DIRECTOR
Nanette Boyer

TYPESETTING
Jean Graphics

STAFF
Annarose Aker
Elizabeth Anderson
Robert Bakhaus
Ashley Brooks
Merton Fine
Louis A. Rollins

ADVERTISING: For display advertising contact Robert Bakhaus, 1129 State St., #4, Santa Barbara, CA 93101; (805) 963-5993. Deadline for insertion order: 1st of each month. Ad appears 40 days later. Obtain rate card before sending copy. For classified ad orders, please see Classifieds page, this issue.

SUBSCRIPTIONS: Subscribers are members of the Reason Foundation. Membership (US residents) is $19.50 per year, of which $6.25 is set aside for publication costs. Long-term rates: 2 years, $34.00; 3 years, $45.00. Other countries add $2.00 per year.

BACK ISSUES: Write for back issue list for current prices. Volumes 1-4 are available on microfilm from University of Southern California Library Micrographics Dept., University Park, Los Angeles, CA 90007. Volumes 5 and up are available from Xerox University Microfilms, 300 North Zeeb Road, Ann Arbor, MI 48106. Indexed in *Historical Abstracts* and *America: History and Life.*

editor's notes

• **JOURNALISM FUND.** The Reason Foundation's Investigative Journalism Fund is at it again. The latest project to receive the support of the Fund is this month's cover story on FDA suppression of life-saving cyanoacrylate tissue adhesives. Meantime, a $2,500 grant was received in February to continue the Fund's work, adding to a number of individual contributions from Foundation members during the winter months. Three other Journalism Fund projects are currently under way.

• **REASON IMPROVEMENTS.** This issue marks some steps in our ongoing program of improvements to the magazine: Color covers and an increase in type size in feature articles from 9 to 10 points for easier readability. We have also switched printers (as of the March issue) so as to obtain a better quality of paper, better inking, and crisper photograph reproduction. We're proud of REASON's progress and hope you like the changes.

• **FOUNDATION ACTIVITIES.** The Reason Foundation's conference on Government Regulation, Economic Liberty, and Justice, held in Santa Barbara last fall, was a "smashing success," according to codirector Tibor Machan. The proceedings of the conference will be published by the University of Illinois Press, with the book due out next year. A second conference, Virtue and Liberty, will take place April 25-27, also in Santa Barbara. Like the first, it is a Liberty Fund program carried out by the Reason Foundation. Participants will include philosophers Paul Kurtz, Shirley Robin Letwin, George Mavrodes, and David Norton, and the conference will be chaired by Foundation trustee Manuel S. Klausner.

• **DIESEL SOLUTION?** Consumer affairs writer Peter Weaver made an interesting observation in his *Los Angeles Times* column recently. Reminding readers that number 2 heating oil and number 2 diesel fuel are one and the same, he pointed out that many people are now installing home heating oil tanks even though they don't have oil furnaces. But they do have diesel cars. Besides the convenience and security of tanking up the car at home from an assured supply, they can avoid paying the "pesky road tax" on diesel fuel by purchasing it as heating oil. In a few states the tax authorities are trying to nip this black market in the bud—Maryland authorities are going so far as to collect the names and addresses of every new diesel-car purchaser for computer matching with heating oil tank purchasers. Shades of 1984!

• **ATTENTION TEACHERS.** A junior college teacher from Florida just wrote in to tell us of his success in persuading the school's librarian to order REASON for the library. He suggests that those of you who are teachers do likewise. A teacher's request carries a lot more weight than one from a student. Can you imagine the impact if REASON were carried in every high school and college library in the country?

• **OPPOSING BUREAUCRACY.** From the *Southern Libertarian Messenger* comes the story of farmers attempting to save their land from condemnation that would make way for a federal dam project. Their idea: to divide a one-acre plot into 4,840 separate one-square-yard parcels and sell them to that many buyers. Now the feds are faced with tracking down all 4,840 owners to condemn their land. This idea would seem to have applicability to all sorts of land confiscation situations.

• **INFLUENCE.** Robert Poole's editorial from the August 1979 issue, "Insuring Aviation Safety," has been included in the official records of the House of Representatives' DC-10 crash investigation. It appears on pp. 554-55 of "Aviation Safety: DC-10 Crash of May 25, 1979," the joint hearings before the subcommittees on aviation and on oversight and review, of the House Public Works and Transportation Committee.

• **MORE REPRINTS.** The Social Issues Resources Series, which produces resource materials for use in schools and libraries, is once again reprinting material from REASON. Its forthcoming *Crime* reader will include Robert Ringer's "Victims of Benevolent Aggression" from our September 1979 issue. Its *Communications* reader will include "Information Liberation" by Michael E. Anzis from our August 1979 issue. And its *School* volume will include Theresa Hale deSoubiese's "Surviving the Blackboard Jungle" from our May 1979 issue. Also, the *Environment Times*, published by the National Association of Geology Teachers, is reprinting James R. Dunn's "Back to the Land: Environmental Suicide," from our March 1978 issue.

—R. P.

Are you politically stonewalled?

ANNOUNCING MICHAEL EMERLING'S ART OF POLITICAL PERSUASION MARATHON WORKSHOP

How do you move people in the direction of freedom? How can you get them excited about your ideas and enthusiastic about working for liberty?

If you've ever tried, you've discovered for yourself that it's not easy. And many libertarians make it even harder by going about the process in ineffective and self-defeating ways.

Tired of frustrating conversations and pointless debates? Then you're ready for *The Art of Political Persuasion* Marathon Weekend Workshop.

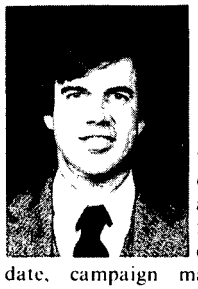
The Art of Political Persuasion Marathon Weekend Workshop is an intensive two-day experience unlike anything you've ever encountered before.

You'll join a small group of fellow libertarians for a weekend of "total immersion" in the tools of political communication, persuasion and motivation. It's exciting, it's informative and it's fun.

Michael Emerling will show you proven strategies and techniques for winning others to the side of political freedom. *Not just changing their minds on a few isolated issues, but getting them actively involved in the libertarian movement and the Libertarian Party!*

You'll learn how to reach into the minds of others and open them up to libertarian ideas for the first time. And you'll learn how to reach into *yourself* and discover your hidden abilities for powerful communication and persuasion.

WHO IS MICHAEL EMERLING?



Libertarian activist. Libertarian writer. Libertarian motivator. All these terms describe Michael Emerling.

Michael possesses a truly awesome amount of political knowledge and experience, gained from involvement in 36 campaigns--as candidate, campaign manager and political consultant.

He founded the Tucson Libertarian Supper Club, worked with the MacBride for President campaign, and served as advisor to 12 Libertarian campaigns in Arizona, Nevada and California.

When he ran as Libertarian candidate for Congress against Arizona's Morris Udall, Michael received 5,000 votes on a bare-bones budget of $1,000.

As speechwriter and ghostwriter for 26 political candidates, Michael has written 109 articles and speeches. His provocative essays

in libertarian movement publications ("How to Get Converts Left and Right" in *Reason* and "The Late Great, Libertarian Macho Flash" in *Frontlines*) have stirred a storm of controversy and become underground best-sellers.

Currently Michael is working on his forthcoming book, *The Art of Political Persuasion*.

WHAT YOU'LL LEARN IN A SINGLE WEEKEND.

The two-day marathon is an intensive experience, with a great deal of valuable material compressed into a relatively short period. Here are some of the things you'll learn:

Saturday: Political Communication One-to-One

- The elements of political persuasion.
- How to package and present libertarian ideas in appealing ways.
- How to open closed minds by breaking through assumptions, defenses and false beliefs.
- Marketing libertarianism *left* and *right*.
- How to generate enthusiasm in yourself and others.
- Why effective *listening* is the key to effective persuasion.
- How to read "body language."
- The eight deadly, self-defeating mistakes libertarians make when communicating with others--and how to avoid them.
- Why it's better to "seduce" than debate.
- Why your *choice of words* is critical in turning people on--or off--to libertarianism.
- How to overcome inhibitions and become totally self-confident.

Sunday: Political Communication to Groups.

- How to become a stunningly effective speaker.
- Using the mass media to reach a whole new world of prospective libertarians.
- How to get news people on your side.
- How to find the right "news angle."
- Becoming an irresistible interview subject.
- How to hold a news conference.
- Ingenious techniques for overcoming the problem of limited resources.
- Using your new skills to raise funds.
- How to get through to anyone on the telephone.
- Reaching voters, getting votes and winning elections.
- *And much more!*

WHAT THEY'RE SAYING:

"Michael Emerling is one of the most dynamic figures in the libertarian movement. I enthusiastically encourage all libertarians to attend his *Art of Political Persuasion* Marathon Weekend Workshop."

Roger MacBride, 1976 Libertarian Party presidential candidate

"A stupendous tour-de-force! Michael Emerling has more drive, energy and enthusiasm than anyone I have ever met. *The Art of Political Persuasion* workship lifted me ten feet off the ground."

Paul Wakfer, former chair, Libertarian Party of Canada

"The marathon sharpened my persuasive skills. It made me more confident that libertarian ideas and politics are valuable."

Ed Clark, 1980 Libertarian Party presidential candidate

MICHAEL'S UNUSUAL GUARANTEE.

So confident is Michael Emerling that you'll be excited about his workshop that he makes a personal guarantee to every attendee.

If, by the end of the weekend, you're not convinced that you've gotten many times your money's worth out of the experience, he'll give you back 100% of the admission price you paid--out of his own pocket.

Yes! I'm interested in the idea of ☐ attending ☐ sponsoring an *Art of Political Persuasion* Marathon Weekend Workshop in my area. Please contact me to discuss details. I realize I'm under no obligation.

Please Print

Name _____

Address _____

City _____

State _____

Zip _____

Tel. Day ( ) _____

Eve. ( ) _____

MICHAEL EMERLING
P. O. Box 268
Baton Rouge, LA 70821
504-387-5146

The Anti-Business Mentality

editorial

TV Guide: *Do you handle someone who may have something to hide any differently from a Baryshnikov or a Horowitz?*

Mike Wallace: *Of course you do. In the first case you're after facts, substance; in the second you're after feel, texture, personality. In both, the interviewer "role-plays." With the businessman he may play prosecutor; or if the individual responds better to lulling, then the interviewer goes that way.*

—*TV Guide,* November 24, 1979

SO THERE YOU HAVE IT, so obvious it could be missed only by those who have entirely accepted Mr. Wallace's prejudices: artists call forth the kid gloves; *businessmen* invite prosecution. Wallace is the star interviewer of television's most popular "investigative" reporting program, "60 Minutes," produced, it is worth noting, by one of the largest corporations in the United States (in 1979 earning 20.7 percent return on equity and 18 percent return on total capital—compared with 18.7 percent and 14 percent, respectively, for Exxon during the same period, when Exxon's profits were widely declared, by the likes of Mike Wallace, to be obscene). And Wallace shares the view of Ralph Nader, Barry Commoner, John Kenneth Galbraith, Michael Harrington, and, let us not forget, Karl Marx—that, by its very nature, commerce is evil and needs to be prosecuted.

Let's get the matter straight. The point Mr. Wallace let slip—while the rest proclaim it with religious, even fundamentalist, fervor—is that engaging in commerce is, on the face of it, fishy. We can assume that anyone engaged in business has vile purposes, according to this philosophy of social life.

Now, isn't this curious? Ordinarily, one would expect that participants in the many institutions of a civilized society be regarded as innocent unless proven guilty. Yet in the case of commerce and its professionals, people in business, the situation is very different. Why? Because for centuries the idea of working for one's prosperity, especially when done in concert via voluntarily formed corporations, has been viewed as *basically* immoral. Seeking to benefit oneself particularly by means of production and trade of *so-called* material goods and services (for in fact nothing is *simply* material in this realm), has always had a very bad press.

It is undeniable that criminal conduct can be found within the sphere of commerce. Nor can anyone doubt that many people in business are the worst enemies of commerce—just consider CBS's eager support of Mike Wallace and the widespread acquiescence of many corporations, via advertising, financial backing, and silence, in the denigration of capitalism and those engaged in business. (When has anyone, anywhere, seen a TV or movie characterization of a person doing business, pursuing profit, as anything other than a brute?)

But what is so remarkable about crime in the business world? There *are* artists, scientists, educators, priests, and doctors who are deceitful, lazy, negligent, and fraudulent in the practice of their professions. Yet few today would think that university professors are engaged in an inherently evil profession just because hundreds in their ranks, from one campus to the next all across the country and the world, carry on their work in defiance of professional standards. Few would declare art an inherently vile vocation just because hundreds of painters, composers, and performers are nothing but fakes and frauds.

Yet business is under attack—nothing new, of course, yet it's worth reflecting on the selectiveness of the ire as we come upon the latest manifestation of the anti-big business mania: with great fanfare, Nader, Commoner, Galbraith, Harrington, and a host of others are aligned in sponsoring a nationwide rally called "Big Business Day" (April 17, 1980). Disregarding the equally, if not more serious crime in the classrooms, in the editorial offices, in the churches, theaters, and dance studios of our land, they are waxing sanctimonious about "crime in the suites."

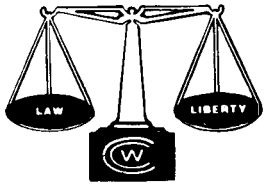
The reason is not very complicated. Of all the professions in a free society, business is most visibly and honestly engaged in seeking gain. The "visibility" part is the kicker. By no stretch of the imagination does business have a monopoly on profit seeking, once profit is understood as gaining for oneself by means of work, investment, patience, ingenuity, talent, and sometimes, unfortunately, less admirable avenues. But most other professions can, if they wish, hide behind a facade of humanitarianism—as though nurses, opera singers, and Broadway directors did not often participate in their crafts for the sake of self-fulfillment; as if these professions required a solemn oath of self-immolation. What they can do, more easily than those in business—however hard many in the business world *try* it—is to pretend that they seek much more glorious ends than the enhancement of their own "puny" lives.

None of the repeated charges against business as such, and against the institution of corporate commerce, have been made to stick. Two recent volumes, M. Bruce Johnson's *The Attack on Corporate America: The Corporate Issues Sourcebook* (McGraw-Hill, 1978) and Robert Hessen's *In Defense of the Corporation* (Hoover, 1979), bear this out conclusively. And the biggest source of these charges—the philosophy of Karl Marx—however influential it may be, is in a shambles, as many of its most ardent adherents readily admit. Yet the assault on commerce continues, often, and sadly, fueled not only by people in business but by many from the conservative end of the political spectrum who deride making for oneself a prosperous life.

The reason, as I have tried to indicate often enough, is that no one in prominent circles has yet launched a sustained attack on the basic premise of the anti-business mentality, on the view that it is wrong for human beings to seek to prosper in their lives because we all have a duty to enhance, first and foremost, *others'* lives. This, above all other ideas, is the most powerful and yet not adequately challenged premise feeding the vile and obscene clique that would, in the name of humanity, bring down one of the most fruitful and admirable social institutions in human history: commerce.

Tibor R. Machan

Why Millionaires Legally Owe No Taxes



TRUSTS
ESTATE PLANNING

PLUS

LEARN I.R.S. AUDIT PROCEDURES
FREEDOM OF INFORMATION ACT
TAX ASPECTS OF A TRUST
OFFERS OF COMPROMISE

MR. and MRS. CITIZEN UNDERSTAND HOW NOT TO OVERPAY THEIR TAXES

All this and more presented by

BARBARA HUTCHINSON

30 Years of Tax Research and Educational Field

FOR INFORMATION ON UPCOMING WORKSHOPS CONTACT:

CITIZENS COURTROOM WORKSHOP

110 WEST C STREET
SUITE 1040
SAN DIEGO, CA 92101
(714) 238-1344

ALL FEES TAX DEDUCTIBLE

letters

Chavez and Ruff

The article by Patty Newman on Chavez and the Farm Workers was superb. I saw the "Prime Time Saturday" television show January 26 based on REASON's data, and thought they did a fine job....

As for Mr. Ruff's explanation [Feb.] for his call for all subscribers to sell their gold when it hit $444 and subsided to $428 an ounce the same day, his explanation to you is a bit different from what he said to his membership. The headline was "Everybody Out of the Water." The gist was to keep only survival coins and sell all the rest of one's gold because this abrupt rise was obviously due to speculation, and gold would drop to $250 an ounce when it could be re-bought. He proceeded to liken it to the South Sea Bubble and the tulip bulb affair. What was important to me in that issue of *Ruff Times* was that he made none of the differentiations for his readers that he did for you in REASON. In short, I was shocked. In mid-October there was plenty of reason, in Iran alone, for gold to go up. Furthermore, it was no South Sea Bubble because the gold actually existed, unlike the saleable land in the South Seas. As for the tulips, had the Dutch increased the prices of the bulbs, instead of over-selling, there would have been no problem. That makes three differences I had with Mr. Ruff. The fourth was that he addressed himself only to the gamblers among his membership. I am an investor, which means I never sell a good thing, but buy on the dips, and he gave no choices in that issue. It was a flat dictum based on spurious reasoning.

I still subscribe and enjoy the *Ruff Times*, but I'm sorry that Mr. Ruff has never admitted or apologized for an enormous booboo.

Madeline Gilbert
Stamford, CT

Air Bluffs

In general I agree with the letter from Mr. Curtis L. Messex [Feb.] concerning "Which Airlines Violate Safety Rules" [Dec.], but his statement "one must not forget that the FAA man is inspector, prosecutor, judge, and jury, and constitutional protections don't apply" is totally false.

First of all, constitutional protections *do* apply. No FAA inspector will read a pilot the Miranda rights, but the pilot (or mechanic, or airline, or whoever) is free to remain silent, and the burden of proof is totally on the FAA (see Federal Aviation Regulation Part 13 and FAA internal handbook 8030.7A).

The FAA inspector's role in enforcement of the Federal Aviation Regulations is strictly that of investigator and reporter. He does recommend the sanction, but the attorneys in the FAA's regional counsel's office are the prosecutors. If the pilot desires a hearing, an NTSB (National Transportation Safety Board) law judge will hear the case. If the NTSB law judge's decision is adverse to the pilot, he can appeal to the US Circuit Court of Appeals. Some do, but the majority don't because, like most citizens, they do not know the law. Like most citizens, people in the aviation community feel they need a lawyer to go to an NTSB hearing. If they would study the law a little, they'd find they not only don't need a

"A call for the next step—the positive reconstruction of our local governments through free market alternatives."
— William E. Simon, former Secretary of the Treasury

CUTTING BACK CITY HALL
by Robert W. Poole, Jr.
Foreword by William E. Simon

Local governments can *prosper*, even with the growing tax revolt, says Robert Poole, and better services can be provided at lower cost. CUTTING BACK CITY HALL is the first comprehensive discussion of how communities across the country are coping with reduced revenues. Poole cites case after case, with specifics and cost figures, to show how and where private contracting, user fees, and modern management techniques are already bringing efficiency and cost reduction to public services. He then suggests specific ways in which legislators, citizens, and administrators can go about cutting back city hall. And he provides the names of leading companies (including consultants) that offer services to local governments on a contractual basis, and an extensive bibliography of relevant reports, studies, and publications.

Robert Poole is Chairman of the Local Government Center, and Editor of *Reason Magazine*.

UNIVERSE BOOKS
381 Park Ave. So., N.Y., N.Y. 10016

Please send me ____ copies of CUTTING BACK CITY HALL at $12.50 each, plus 10% postage and handling.
My check/money order is enclosed for $_____

Name _____

Address _____

City _____ State _____ Zip Code _____

lawyer, but will be better off without one! NTSB law judges are *not* pro-FAA—in fact, the FAA loses almost half of the cases that go to an NTSB hearing.

I can understand Mr. Messex making the statement that he made because most pilots' only contact with the FAA is with an inspector, and inspectors tend to wield a bigger stick (bluff) than they actually carry. Like most bureaucrats they are overly impressed with their own importance, and they bluff their way through a lot of situations because the aviation community lives in some fear of them.

Robert T. Smith
Smyrna, GA

Amazing Women

Jim Davidson has apparently never heard of, or recognized, the Women's Movement, otherwise he would not have omitted from his list of amazing books [Viewpoint, Jan.] Elaine Morgan's *The Descent of Woman*—a superb account of the development of the human species from its origin as The Water Primate. All questions about human physiology, psychology, and sociology are finally answered, once we realize that we are descended from a small ape that took to living in the ocean off the coast of Africa about 15 million years ago, and then, after partial adaptation to that environment, returned to land. We learn why we have language (for communicating over the waves), and why we are nearly hairless (hair is a drawback in an aqueous environment), but why women have long hair (for the baby to hold on to).

Lots of good speculation about sex: female orgasm (which kind is "real"); which position is natural (missionary, of course, like whales); and rape, and love, and even why women like to have sex with the light off. They do? Evidently, for it is a reaction against the sun shining in their eyes.

Just goes to show that women can be just as creative as men in the field of amazing writing—and make more money, too—for Morgan's book made it to the bestseller list.

Sarah E. Foster
Los Angeles, CA

Diamond Doubts

Steven Beckner's column "Precious Stones" [Feb. 1980] seemed a bit murky and prejudicial. He made reference to a dozen firms "hawking" precious stones at a monetary conference, but no mention was made of the multifarious brokers "hawking" gold.

Mr. Beckner indicated that GIA-certificated diamonds sell at a premium over

Fourth Annual

Institute on Public Policy and Private Enterprise

Grove City College

Grove City, Pennsylvania

June 15-20, 1980

HEAR AND QUESTION RECOGNIZED ACADEMIC SPECIALISTS, WRITERS, ATTORNEYS AND LECTURERS ON THREE MAJOR THEMES:

The Radical Attack on Business
Money and Business Cycles
Men of Letters · A Dwindling Number?

HANS F. SENNHOLZ
Internationally-known free market economist, author and lecturer
Professor, Grove City College

R. HEATH LARRY
Immediate Past President, Nat. Assn. of Manufacturers
Lawyer, labor relations specialist

RUSSELL KIRK
Editor, *The University Bookman*
Director, Social-Science Program, Educ. Research Council of America

SANDRA J. KEIFER
Nuclear Engineer, on "Energy Truth Squad," challenging Anti-Nukes Fonda & Hayden

ROBERT M. BLEIBERG
Editor, *Barron's National Business & Financial Weekly*

CHARLES S. MACKENZIE
President, Grove City College
Scholar, Theologian

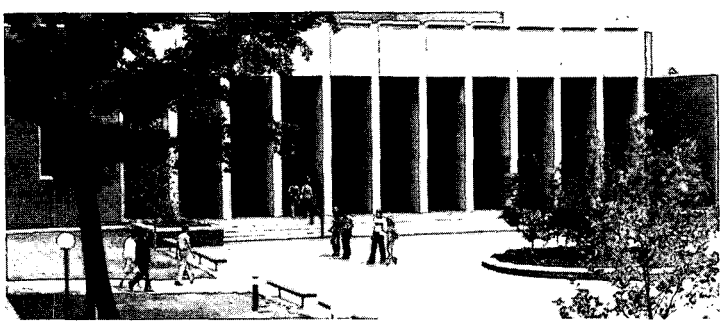
ARTHUR A. SHENFIELD
Economist, Barrister-at-law, International lecturer

ERIC BRODIN
Director, Foundation for International Studies, Malmo, Sweden

JOHN A. SPARKS
Lawyer, economist, Professor, Grove City College

L. JOHN VAN TIL
Historian, Public Policy Commentator
Professor, Grove City College

Last summer men and women from 20 states and abroad attended the stimulating six-day Institute.



For More Details, Mail Coupon To:
Dr. John A. Sparks, Director
Institute on Public Policy and Private Enterprise
Grove City College
Grove City, PA 16127
(412) 458-6600

Please send brochure, application, & scholarship information about Institute on Public Policy and Private Enterprise. R

Name _____

Address _____

City _____

State, Zip _____

"STICK IT" TO THE STATE
STICKERS

$1.00 each

Old Soldiers Never Die
- young ones do!

I am not a National Resource!

Not with My life, you don't!

LAISSEZ FAIRE

In Gold We Trust!

Support Your Local LIBERTARIAN PARTY

T.A.N.S.T.A.A.F.L.

Libertarians do it - on principle!

In 1980 Vote Libertarian

DANGER: Legislature In Session!

DRAFT BEER - not people

• **$5.** MINIMUM ORDER —MIX OR MATCH

Highest quality blue vinyl 3x12" bumper stickers

• **75¢** EACH WHEN TOTAL IS 10 OR MORE STICKERS —MIX OR MATCH

• **50¢** EACH WHEN TOTAL IS 100 OR MORE STICKERS —MIX OR MATCH

Make checks payable to:
STICKERS
1115 De La Vina St.
Santa Barbara, CA 93101

those graded by EGL, and that diamonds under one carat should be graded by EGL. This dubious reasoning escapes me, except if the author is under the erroneous impression that GIA does not grade diamonds under one carat, or the seller is trying to hide the poor quality of his diamond. GIA certifies all sizes of diamonds. EGL certificates bring a lower price compared to the GIA certificate because of the lower quality of the EGL certificate. GIA standards are the most rigid and exacting in the world....

People could be better informed by reading the REASON article [June 1979] by John Matonis, which explains how to buy and sell investment-quality diamonds.

Gerry Hauser
La Jolla, CA

Postal Pains

In your December 1979 issue, Joel Stewart, a reader from Van Nuys, spoke of the US Post Office as not being a money-losing proposition. I never saw any rebuttal. Is Mr. Stewart aware that the 1979 subsidy of the US Mail was over $900 million?

James C. Wood
Sacramento, CA

Federal Inflation

I'm pleased to see candidate Ted Kennedy making such a fuss about inflation. He has voted for it ever since he reached Congress and is an expert on the subject.

The bulk of present inflation comes from the government's printing tens of billions of dollars of worthless additional money each year to pay off deficit spending requirements. Carter's previous chairman of the Federal Reserve, Miller, at the end of 1978 said he had printed 9% more money and expected inflation in 1979 to be 8%, apparently expecting some offset from weakly rising productivity.

The actual total rate of inflation was 13.3% so, roughly, OPEC and unions pushed up the 5.3%. When you know that a large part of OPEC's boosting is done to offset dishonored American currency in their hands, you figure that the federal government is directly responsible for 10.5% and OPEC and other fiends for 2.8%.

Thomas S. Booz
Plantation, FL

Defense Predicament

I must disagree with several key points raised by Editor Poole in "SALT and Defense" [Feb.]. Poole bases much of his posi-

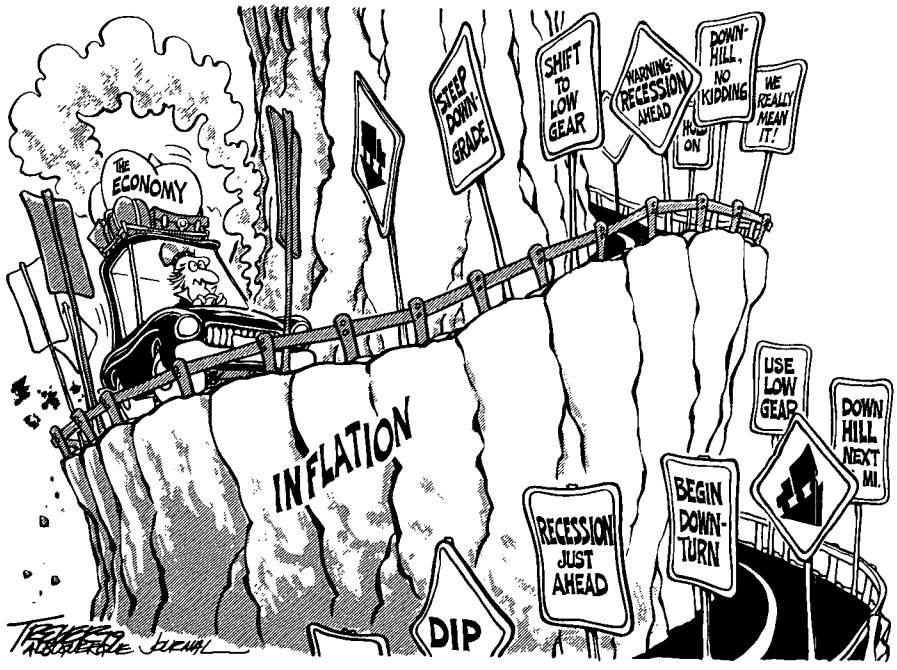
(Continued on p. 49.)

brickbats

☐ **A couple of robbers** were struck with an attack of honesty in Oakland, California, recently. After zipping away with $110 from a grocery store stick-up, the pair returned the loot with a note conceding the crime, explaining they were very drunk, "did a prank," and that it was one of the "stupidest things" they had ever done. In Washington, D.C., the seat of our national government, no such post-crime conscience is to be found. When the FBI's "Abscam" operation was prematurely terminated (several consenting adults in the Congress had already agreed to terms and were awaiting their "sting" when the case was blown open), the biggest commotion in the capitol was in the race for alibis. Out of the dozens of public servants contacted by undercover G-men posing as wealthy Arab sheiks in search of New Jersey casino licenses and other public services, 8 congressmen and 14 other officials were implicated. There is no report of any of the politicians reporting the bribery offers to the authorities. One reason for the lack of law-respecting diligence, some politicos claimed, was that the offers were taken to be absurd. As Charles Stanziale, son-in-law of New Jersey Democratic Cong. Peter Rodino, details: "I mentioned the telephone call to Rodino, saying that some person suggested paying me $50,000 to get to meet him. Rodino shook his head in disbelief, and the matter was dismissed out of hand and forgotten as ludicrous." No surprise there. We *all* know that anyone smart enough to have $50,000 would know that a US congressman can be bought retail for a small fraction of that.

☐ **The general reaction** in the capitol was outrage: over the FBI's tactics. Undercover operations against mobsters and drug traffickers go on around the clock, but when you do it to the nation's leaders... *that* is entrapment. California Democratic Rep. Norman Mineta may have stumbled onto a bit more of the truth than he bargained for when, in his moment of great relief that he had not been one of the low-lifes approached by the plainclothed officers, declared his shock at such FBI procedures. "It seems any of us could have been set up," he quivered. Indeed it does.

☐ **The most novel approach** of the wrongdoers was advanced by the esteemed Republican Cong. Richard Kelly. Ascending from the Florida swamps just long enough to stuff a wad of C-notes totalling $25,000 into his suit pockets, the Southern thinker came clean with the Feds and the press after the headlines hit by declaring that he had only taken the cash as part of his own investigation of "shady characters." Did he call in the police? No. Did he report the bribery offers to the House Ethics Committee? No. Did he keep the money or spend it? He spent it—but only to divert the "shady characters" from his investigative spirit, making sure they would not get suspicious about his keeping the cash on hand. Oh, my. How *we* would have been punished for such stories as small children.



☐ **Why the national leadership** went to such lengths in what appeared to be valiant attempts to top Sen. Edward Kennedy's explanation of what actually happened at Chappaquiddick is unknown. Their partner in other crime, Rep. Daniel Flood, has been able to pull a clean $50,000 in bribes that the feds *know* about while spending not even a lunch break in jail—and suffering a fine of only $25,000, half of what he stole. In copping a plea to conspiracy in exchange for rolling the much more serious (felonious) counts of bribery and perjury down the chute, the mustachioed crook claimed, "I don't think I have the physical or intellectual resources to defend myself adequately." A more subtle feel for the language has never been had.

☐ **A couple who cannot conceive** a child on their own has been enjoined from paying a woman to conceive their baby through artificial insemination and bearing the child for them. The Detroit family wanted to hire the woman by paying her medical expenses plus $5,000 in exchange for a promise to give up the newborn for their adoption. The Michigan attorney general's office fought the request on the grounds that it would lead to such evils as "baby bartering" and a "commercial market for babies." That a government which subsidizes the purchase of abortions should outlaw this sort of voluntarism is nothing short of a phenomenon. Here a couple not blessed by nature can solve the most crushing of problems, a woman can perform heroic duties and emerge with what she values as a profitable transaction, and a baby is born into a family that has proven in the most direct manner possible that this child is not an unwanted accident. What could be a more deliberate satisfaction of the wants and desires of all parties concerned? And to this Judge Roman S. Gribbs rules, "The evils attendant to the mix of lucre and the adoption process are self-evident and the temptations of dealing in 'money market babies' exist whether the parties be strangers or friends." Let there be no dismay. That such a marvelously beneficial exchange should be chastised as crass commercialism is simply the *reductio ad absurdum* of the age-old view that the system of voluntary trade is, at bottom, exploitation. Judge Gribbs may be a grim and despicable character, but his philosophy says nothing more than that which was embodied in the Federal Trade Commission Act of 1914.

—Thomas Winslow Hazlett

trends

Checking His Premises

Former civil rights activist (now Harvard law professor) Derrick Bell has changed his mind on the issue of legally mandated desegregation. In the 1960s, Bell was a lawyer for the NAACP working on cases based on the US Supreme Court's 1954 *Brown* ruling that segregated schools are unconstitutional. Several weeks ago, though, he paid his own expenses to travel to San Bernardino, California, there to testify in court against mandatory busing. Bell now believes that desegregation often creates more problems than it solves.

Bell's main criticism is that the *Brown* decision has been misinterpreted. "For so long we've assumed that unless we have a majority white school, it wasn't an effective school, and I don't believe that is necessarily true," he says. Rather, Bell would like emphasis to be transferred from racial "balance" to the improvement of basic educational opportunities for blacks and minorities. Bell notes that, speaking pragmatically, forced desegregation means that school systems have to concentrate on keeping white children in desegregated schools (because of white flight) rather than on the needs of black students.

"We shouldn't give up on desegregation," Bell stresses, "but we should define desegregation as not simply the elimination of separation but also the elimination of all the other aspects of the stigmatization of black children" (such as unequal curricula and lack of minority parent participation in schools).

Brown's former colleagues at the NAACP Legal Defense Fund are not exactly happy with his reassessment. One lawyer chides Bell for wanting to return to a "separate but equal" doctrine and described Bell as "a nice bright guy who has gone off the deep end." Another black lawyer castigates him for giving up on the "court process of achieving change." Perhaps Bell has just realized that might is not always right.

Breaking the Barriers

If elected, Republican presidential front runner Ronald Reagan declares that he will seek repeal of the federal minimum wage law, the federal inheritance tax (without regard to economic circumstances), and federal income tax on the interest from savings; he will also create a task force "from outside government" to study Social Security.

It is reassuring to hear such libertarian sentiments from a major party contender and even better to find them backed by economist Walter Williams, whose special interest is minorities and jobs. Williams, in an interview with *Time* (Jan. 21, 1980), estimated that the January 1 increase in the minimum wage from $2.90 to $3.10 an hour guarantees at least a five percent increase in unemployment—particularly for low-skilled black teenagers and minorities. "How else do you explain the massive change from waiter service to self-service in restaurants? How else do you explain the absence of ushers in movies and youngsters at supermarkets to take your bags to the car?" Williams points out. "We have cut the bottom rungs off the economic ladder, and the consequence is that for the first time in US history, we have developed a permanent welfare class."

Williams also advocates a reassessment of child labor laws. "If a 14-year-old is not benefitting from school, perhaps he should be allowed to leave and get work in a car wash. Perhaps then he will discover he cannot get ahead without an education, and that lesson in life will motivate him to return to school." Another option ruled out by minimum wage laws is an apprentice system, where unskilled workers could learn crafts at low wages as assistants. Williams further criticizes state licensing laws, pointing out that "roughly 600 occupations are licensed in the United States," keeping those occupations closed to minorities.

Echoing the mood of much of the country, Williams ends with a plea for less special treatment. "Black people do not need any special programs. All they need is for government to get off their backs."

Private Boycotts

Three of America's most prestigious scientific/technical organizations have cancelled exchanges with their Soviet counterparts to protest the internal exile of Soviet physicist and dissident Andrei D. Sakharov.

In the first action of this kind in its 117-year history, the National Academy of Sciences voted 10 to 3 to boycott meetings with Soviet scientists for the next six months. Spokeswoman Barbara Jorgenson said, "No one was against some sort of action. There was some discussion over whether six months was a long-enough suspension."

The world's largest engineering society, the Institute of Electrical and Electronic Engineers (IEEE), also decided to suspend its annual program of technical exchange with the Popov Society, the leading Soviet electrical engineering society. The IEEE's program with the Popov Society at its May conference in Boston was called off, as was an IEEE plan to send a delegation to a Popov congress in Moscow that same month.

In addition, the Federation of American Scientists was richly rewarded when it issued an appeal to scientists to sign a declaration stating their intention to refuse participation in any scientific exchange with the Soviet government or its representatives until such time as Sakharov is released from internal exile. Nine Nobel prize winners have already signed the declaration, and the FAS has sent it out to other scientific societies for more signatures. The FAS will keep track of all pledges received and will report the results to the Soviets.

These societies may yet prove that the scientific community's disapproval is a more painful weapon than government guns or diplomacy.

Where the IRS Clamps Down

A study based on the IRS's own statistics and done by *Freedom*, the newspaper of the Church of Scientology, shows that there are gross inconsistencies in the use of levies and seizures to settle taxpayer delinquent accounts. Levying a delinquent taxpayer's bank account or insurance policy or seizing property occurs on over 40 percent of the delinquent accounts in Alaska (the highest) as compared to just under 13 percent in Wyoming (the lowest).

The national rate is 268 seizures per 1,000 taxpayer delinquent accounts, with the Western region having the highest ratio at 306 per 1,000 followed by the Mid-Atlantic region (295), the Central (289), Midwest (287), North-Atlantic (279), Southeast (221), and the Southwest (217). The five worst cities for a tardy taxpayer to live in are Anchorage, Reno, Cleveland, Helena, and Burlington.

Freedom researcher Michael O'Brien attributes the discrepancies to the lack of strict guidelines governing an IRS agent's use of such measures to collect overdue taxes.

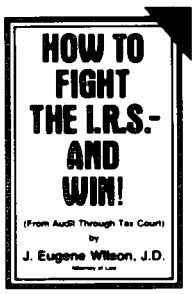
Expensive Warning

In their never-ending efforts to protect people from their own actions, government bureaucrats have long called for mandatory patient package inserts (PPIs) with all prescription drugs and refills. PPIs are ex-

HOW TO FIGHT THE I.R.S. — AND WIN!

(FROM AUDIT THROUGH TAX COURT)

By J. Eugene Wilson, J.D.
Atlanta attorney



BIGGER & BETTER THAN EVER

New improved, revised edition contains 70 illustrations and everything that is needed.

This book enables you to represent yourself effectively without an attorney from audit through Tax Court — and to win!

Highlights of this amazing book:

- Pitfalls to avoid at audit
- How to handle a discourteous agent
- What to do if your answer will incriminate you
- Dangers of conferences with the Appellate Division
- A secret that can keep you out of prison
- An idea that settles cases
- How to receive a fair trial
- How to avoid IRS seizure of your records
- How to obtain info with the Privacy & F.O.I.A. Act
- Records and proof required
- What to do about a summons
- How to prepare a petition for filing in Tax Court
- How to use interrogatories to discover the Commissioner's evidence
- Other discovery methods explained
- When you may file suit in the "Small Tax Court"
- How to prepare a brief
- How to avoid preparing a brief
- Avoiding an increase in your deficiency

This is a large book consisting of 368 pages, 6¾" x 10", written for the layman in easy to understand language in easy-to-read print by an attorney who studied taxes over 27 years and represented many clients before the IRS and U.S. Tax Court.

Iron Clad Guarantee: If you are not completely satisfied with the book after you have it for 10 days, you may return it undamaged for a full refund.

FREE GIFT — Mail your check or money order to me within 30 days and I will send you absolutely free the pocketbook edition of **TAX TARGET: WASHINGTON** by Gary Allen. This book is yours to keep even if you return my book. (Limit one per order.)

R4

To: J. Eugene Wilson, J.D.
c/o J.C. Printing Co.
3493 N. Main St., Dept.
College Park, GA 30337

Please send me _____ copies of "How To FightThe IRS—And Win!" at $____ each. Ga. residents add sales taxes. ☐ Air Mail $3.00 extra. ☐ Ordered within 30 days. Send free gift book "Tax Target: Washington" by Gary Allen.

☐ Softback $19.95
☐ Hardback $24.95

If I am dissatisfied with the book after 10 days of receipt, I understand I may return it undamaged for a full refund.

Name _____
(Please print)
Address _____
City _____ State _____ Zip _____

planatory leaflets, written in nontechnical terms, indicating the proper use and potential side effects of the drug.

The Food and Drug Administration (FDA) has been a prime promoter of this idea but found itself having to defend its views against the White House's Regulatory Analysis Review Group (RARG) in November. The RARG urged the FDA to come up with cheaper ways to get the drug information to the consumer, noting that such information strategies could then be passed on to other areas such as product safety, nutrition, food additives, and workplace safety. While the FDA pegs the five-year phase-in cost of implementing its mandatory program at $270 million, the American Pharmaceutical Association insists the cost would be closer to $1.7 billion.

The RARG suggested such less-costly options as a reference book with all drug information available at pharmacies (costing $5 million annually); PPIs only with new prescriptions, not refills ($50 million annually); PPIs only for the 75 most prescribed drugs ($61 million); or a requirement that all labelling now written in technical language be redistributed in simpler language ($87 million). What didn't seem to occur to the RARG is to study whether it would be more efficient to find out how many people actually bother to read the little depressing notes now included with a large number of drugs and whether it should not, instead, be up to the consumer to make sure his or her doctor adequately explains such drugs before accepting prescriptions for them.

Laetrile Freedom

About 1,000 Americans a month attempt to acquire Laetrile legally, following the route prescribed in the 1975 *Bohanon* decision. The decision states that cancer patients are allowed to import Laetrile, a drug derived from apricot pits that is alleged to help cancer victims recover, if they can produce an affidavit signed by their doctor that their disease is terminal. The decision was the result of a suit brought by cancer victim Glen Rutherford in an Oklahoma court, but Rutherford hasn't ended his battle yet. At the end of February this year, the 10th Circuit Court of Appeals in Denver ruled that the constitutional right to privacy does not guarantee access to Laetrile and upheld the FDA ban on interstate commerce in the substance—putting the *Bohanon* decision on shaky grounds. Rutherford's lawyer, Kenneth Coe, says they will bring the case to the Denver appeals court for a new hearing and if they lose that will appeal the latest decision back to the US Supreme Court.

On a different front, the National Cancer Institute will now be allowed to conduct federally financed Laetrile tests on cancer victims who have not benefited from conventional forms of therapy. This will be the first time tests of the FDA-banned substance have been allowed on humans.

The FDA decision to approve Laetrile testing on humans is a victory for the Committee for Freedom of Choice in Cancer Therapy, a pro-Laetrile group formed in 1972. The CFCCT's Robert Bradford has managed—by winning popular support—to put the FDA on the defensive, challenging it to prove that Laetrile is *not* effective. Other pro-Laetrile groups, such as the 25-year-old National Health Federation, argue on the basis of "freedom of choice in personal health where such choices do not infringe upon the liberties of others."

Pro-Laetrile groups are skeptical of the FDA testing, saying that since testing will be allowed only on terminally ill patients, it will be a case of too little, too late. A new animal test of Laetrile is being done prior to the actual tests on humans.

In addition, California governor Jerry Brown has indicated that he will support a measure to legalize Laetrile in California as a treatment for seriously ill cancer patients. This is significant because the FDA ban has made it illegal to involve interstate commerce in Laetrile's production or distribution, and none of the 21 states where it is already legal has any significant crop of apricots (a prime source of Laetrile is apricot pits), whereas California is a leading apricot producer.

A San Diego, California physician was recently sentenced to six months' imprisonment for using Laetrile as a cancer treatment. Though Brown has refused to grant the physician a pardon, he did offer sanctuary to the parents of Chad Green of Massachusetts, who had defied a Massachusetts court order not to put their three-year-old son on Laetrile therapy (their son later died). Brown called it "an instance of the monopoly of the healing practice that I intend to change" and argued that the State should be reluctant to intervene in a family decision on such a controversial matter.

Medical Myths Debunked

Increasing frustration over the swelling costs of health care is leading to some innovative proposals with one common denominator: competition.

Several members of Congress, led by Stanford economics professor Alain Enthoven, suggest that free-market competition may be more effective at containing health costs than regulation. They can point to the example of West Germany, which attempted to hold down health care cost increases with a Health Cost Containment law, passed in July 1977. It succeeded—sort of—for nine months, whereupon another surge in costs, more rapid than the increase in 1977, set in. "The lesson we have learned," says health expert Peter Rosenberg of the Ministry of Labor and Social Affairs, "is that we cannot restrain the increase in health costs by legislation."

What are the alternatives, then? Enthoven suggests that the time is ripe for governmental measures that would encourage competition. One such bill would have employers contribute a fixed amount toward the cost of one of several alternative health plans offered to employees. The various plans would range in coverage, and if the employee chose a plan costing more than the fixed amount, the employee would pay the difference. On the other hand, if the employee chose a cheaper, less-comprehensive plan, he or she would receive a rebate for the difference.

Aside from providing alternative health plans, employers need to study cost-reimbursement trends. A recent study shows that employers and physicians tend to carelessly approve small medical bills because they are promptly reimbursed by insurance companies. Physicians are actively encouraged to use technology rather than old-fashioned personal examination because they earn more that way. Contrary to popular mythology, though, the increased costs are not due to large-scale technology such as CAT scanners but rather to more frequent use of minor tests such as ordinary X-rays and blood tests. The study was done at the Robert Wood Johnson Foundation and was published in medicine's leading publication, the *New England Journal of Medicine.*

One of the key alternatives encouraged by Enthoven and other free-market proponents is prepaid group practice via Health Maintenance Organizations (HMOs; see Trends, Nov. 1979) and Independent Practice Associations (IPAs). Much like the cheaper legal clinics, these prepaid health care plans offer comprehensive coverage for less money—a trend begun by Kaiser-Permanente some years ago. Studies show that HMOs do manage to hold down costs; patients who belong to them are hospitalized half as often as patients belonging to fee-for-service plans, and surgery on HMO patients is performed half as often as by private practitioners. Some argue that this is because HMOs specialize in younger, healthier populations. But a 1972 study by Dr. Milton Roemer of UCLA showed that group practices in fact cover patients with a greater average age and cover a much higher percentage of families with chronic illnessses than do fee-for-service insurance plans.

According to another medical myth, the poor have vastly less access to medical care than do the rich. Government statistics cited by medical writer Harry Schwartz show that in fact the poor and aged receive equal, if not more, medical treatment (*Wall Street Journal*, Feb. 15, 1980). In 1977, for example, families earning less

than $5,000 annually accounted for 158.3 hospital discharges per thousand persons that year; the figure steadily goes down as income increases, until for families earning $25,000 or more, the number is 93.4, some 40 percent less. Poorer families also had more physician contacts a year (5.8 compared to 4.7 for the same extreme incomes), and more hospital care (1,541 days of hospital care as compared with 678.8 days). The study pointed out that proponents of increased government intervention in health care often confuse the issue of the *amount* of health care and the *environment* in which people receive health care.

How Not to Help The Unemployed

No matter what route the government takes to "protect" American workers, it seems to fail miserably every time. Two recent reports have exposed bureaucratic boondoggles in (1) cash aid to laid-off workers and (2) government training programs.

The Trade Act of 1974 was passed to ensure layoff benefits and job relocation services to US workers who lose their jobs due to import competition, such as those in the auto, steel, and clothing industries. Eligible workers can receive, for a period of a year, weekly cash allowances that, when added to state unemployment compensation, come to 70 percent of their average weekly gross wage. But the General Accounting Office, in interviewing 868 workers eligible for the program, made several interesting discoveries. In the first place, nearly three out of four workers were employed again by the time they received the cash aid—not surprising, since the workers waited an average of 16 *months* before receiving the cash. Second, most workers received the cash in a lump sum, rather than weekly, averaging $824 but ranging from as little as $2 to as much as $6,010. Since the Trade Act went into effect, about 403,000 workers have received about $617 million in cash benefits. Workers shunned the employment and job relocation services offered. Only a little over two percent of eligible workers entered government-sponsored training programs. (The Trade Act is due to expire in September 1982 but may be renewed.)

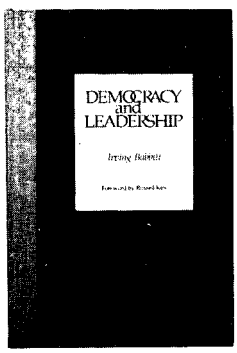
Those laid-off workers were smart to opt out of government-sponsored training, it turns out. An *Industry Weekly* report says that, despite a shortage of about 500,000 full-time skilled workers each month, technical firms adamantly refuse to hire graduates from government training programs. "We have had 'graduates' who couldn't find the 'start' button on a machine," a Cleveland plant manager says. And David Coverdale of the Cross & Trecker Co. agrees: "We don't apply for or accept government funding," he explains. "We could get it from the government, the chamber of commerce, or our industry association. But we have had bad luck with government programs." The company is instead reviving apprenticeship programs and pursuing more contact with technical schools.

Boycotting L.A.

Rent-control opponents tired of pointing to New York as an example of the destructiveness of that charade now have new proof of a city in the throes of a worsening housing shortage aggravated by rent control: Los Angeles. Only one in a series of western cities that have adopted rent control, the Big Enchilada is proving that even so-called moderate controls lead to problems now familiar in the east's New York. Builders, lenders, and investors are boycotting L.A., and the program has led to rapid discrimination between renters covered by the regulation and those not.

Because landlords can only increase rents on units that have been voluntarily vacated or from which tenants have been evicted, rent increases of as high as 60 percent have been levied on newly vacated apartment units. Luxury apartments (one-bedroom units renting for more than $420 a month) are exempted from controls. A

LibertyPress
LibertyClassics



Democracy and Leadership

By Irving Babbitt

A penetrating work of political and moral philosophy, first published in 1924, *Democracy and Leadership* is packed with wisdom. Irving Babbitt was a distinguished professor of French literature at Harvard and a leader of the intellectual movement called American Humanism. This was his only directly political book, and in it Babbitt applies the principles of humanism to the civil social order. He summarizes the principal political philosophies; contrasts Rousseau with Burke; describes true and false liberals; distinguishes between ethical individualism and destructive egoism; and stands up for work and duty. *Democracy and Leadership* joins the broken links between politics and morals–and that accomplishment marks it as a work of genius. With a foreword by Russell Kirk. Hardcover $9.00, Softcover $4.00.

We pay postage, but require prepayment, on orders from individuals. Please allow four to six weeks for delivery. To order this book, or for a copy of our catalog, write:
Liberty*Press*/Liberty*Classics*
7440 North Shadeland, Dept. J35
Indianapolis, Indiana 46250

predictable result is that the market for low-cost units is tightening up drastically and that new units will be renting for more than the free-market price to compensate for those held below the market price by controls. Since landlords will be faced with more people wanting to rent the same unit, they will of course tend to choose people with "favored characteristics," as one study puts it (i.e., middle-class whites, preferably single).

Landlords are also raising income by cutting down on maintenance costs, thus leaving tenants in shabbier buildings. As one landlord put it, "We're doing nothing for renters now. We're better off if a good tenant gets disgusted and moves," because then, of course, they can raise their rents. Los Angeles suppliers of carpets, furniture, and other items say their business is off 30 to 70 percent since 1978 (when rent control was enacted).

The fallacy that rent control allows lower-income people to live comfortably in low-cost housing is debunked by Eric Hemel in an article in *Taxes and Spending* (Fall 1979). Hemel points out that, "since lower-income people move more than other people, many of them will actually experience rent *increases* under rent control." He cites a 1970 Rand Corporation Report stating that since less desirable apartments had a higher turnover of tenants, and since the landlord could increase rents only on those vacated apartments, high-mobility tenants "had higher rents than they would have had in a housing market free of controls."

Other studies of southern California cities that have recently adopted rent control point to the same conclusion: it just hurts renters. University of Southern California researchers John Kirlin (a professor) and Steven Frates (a graduate student) cite figures showing that:

- In Santa Monica, after a strong rent control movement managed to get a rent control ordinance on the June 1978 ballot, applications to convert to condominiums jumped from 46 in the six months preceding to 122 in the following six months. (The June 1978 measure failed, but rent control was approved in April 1979.)
- In Berkeley, 81 units have been approved for condominium conversion since rent control was approved last November—compared to an average of five a year in the six years preceding that.
- In El Monte, apartment construction has slowed markedly and condominium conversion has increased since rent control was passed.

If the facts are so patently against rent control, why has it continued to be so popular? Eric Hemel says that "much of the problem lies with a blind infatuation by rent control opponents... with an abstract notion of economic efficiency, and an apparent indifference to the plight of the poor and elderly. So long as rent control advocates remain alone in stressing the need to protect society's downtrodden," he adds, "they will be perceived as having a monopoly of virtue."

Denationalization Update

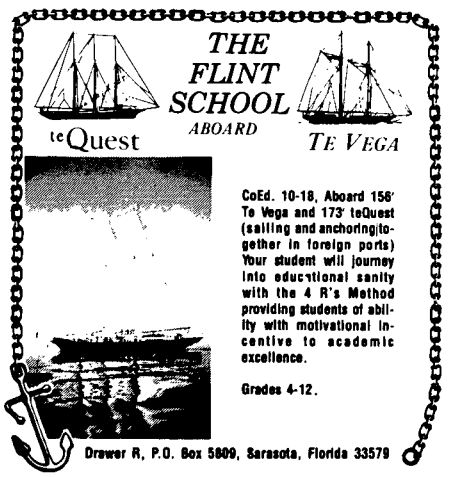
With the US government taking another turn at socialized industry via the Chrysler bailout, the examples of Portugal and Italy merit our attention, for they are desperately trying to *desocialize* major nationalized industries.

Portugal's new antisocialist center-right Democratic Alliance government (see Trends, Mar. 1980) paved the way, for example, for the return of Carlos Duarte Ferreira to his company, taken over by workers at the height of the revolution in 1974. Metalurgica Duarte Ferreira, Portugal's foremost light industry complex, very nearly went bankrupt in the five years it has been under government management (via a workers committee). Now, Ferreira has been restored as chairman of the board and has been given six months to pull the complex out from under. MDF is only one of the industrial firms that the government has been returning to private industry in the hopes of recouping—or at least putting a hold on—the huge losses the firms have been suffering.

And talking about huge losses, Chrysler would do well to note that Italy's Alfa Romeo loses about $1,000 on every car produced at its new factory—a loss billed to the taxpayers (see Trends, Jan. 1980). And it has plenty of company. Italy's Institute for the Reconstruction of Industry, the largest and most diversified State holding company, began in 1933 and flourished, more or less, until the 1970s. But bureaucratic inefficiencies crept in, too-free borrowing with government backing fostered debt, and State firms were ordered to solve social problems. Whereas private firms could dismiss workers, State firms had to ignore absenteeism and low productivity. Now the government is acknowledging these facts and proposing that, as a first step, IRI's holdings be reduced at least 40 percent. The least efficient firms should be closed, some politicians say, and the profitable ones should be turned over to private industry. Also, managers of State firms may be granted more autonomy and freedom from political interference—such as in the appointment of personnel.

School Initiative On Again

The National Taxpayers Union's voter initiative to introduce tax credits for educational expenses in California, which failed to get on the ballot last November, is back again. The revised initiative was submitted to the secretary of state on January 26 and has an April 30 deadline for collecting 553,790 signatures to get on this November's ballot (see Trends, Nov. 1979). The measure would make every taxpayer entitled to an educational tax credit of up to $1,200 per full-time student, to be deducted from state income tax due. Political consultant Butcher-Forde has agreed to do a test mailing to 300,000 names, soliciting signatures and funds, and will work for the rest of the required signatures if the test mailing is successful. Butcher-Forde is the group that qualified Jarvis II (see Trends, Mar. 1980) for the ballot (and raised $200,000 above expenses), mailing to contributors to Jarvis-Gann's Prop. 13.


THE FLINT SCHOOL
ABOARD
teQuest
TE VEGA
CoEd. 10-18, Aboard 156' Te Vega and 173' teQuest (sailing and anchoring together in foreign ports) Your student will journey into educational sanity with the 4 R's Method providing students of ability with motivational incentive to academic excellence.
Grades 4-12.
Drawer R, P.O. Box 5809, Sarasota, Florida 33579

MY GRANDMOTHER SAID:

"You can learn from the biggest numbskull." For proof she was wise, read

WE ARE THE ONES

A guide to the Good Conduct of Nations. A first book by a new author and new publisher in the new field of social economy. $7.50 (paper), in Mass. $7.88, plus 75¢ handling.

Commonsense Books,
Dept. 5A, Box 287, Bedford, Ma., 01730

WRITERS WANTED

We are publishing a series of books entitled AN ENCYCLOPEDIA OF BAD LAWS, WASTEFUL GOVERNMENT PROGRAMS AND UNNECESSARY GOVERNMENT AGENCIES. We want to include at least one article about every law or government program or government agency — federal, state, county, municipal, foreign — which has proven to be counterproductive or wasteful. In addition to reprints of magazine articles and book chapters, we want original articles. Will pay appropriate portion of 10 percent royalty. **Prokon Publications, Inc. Suite 100, 7040 Lake Ellenore Drive, Orlando, Fla. 32809.**

Both the Libertarian Party and Republican Party of California have endorsed the tax-credit initiative, and NTU predicts a 75 percent chance of victory if it gets on the ballot. NTU is not forgetful of its opponents, though; Los Angeles county voted to spend $55,000 to oppose a school voucher initiative in 1979, so apparently they can use taxpayers' money to oppose what they disapprove of. To help finance advertising, NTU is counting on private schools as well as individual teachers who may want to go into business for themselves if the initiative passes and creates a market for more alternative schooling. The Coons-Sugarman voucher plan, which also failed to get on the ballot last year, will probably not be tried again this year. But the NTU initiative may face competition from another school initiative proposal that could make it onto the November 1981 ballot. Jack Hickey's Committee to Redistribute Educational Dollars Objectively is pushing a Performance Voucher Plan—which the *San Francisco Chronicle* has called the "Public School Death Ray." It would abolish compulsory education and all public schools and give school tax money to parents whose children pass achievement tests given by a new "department of educational accountability."

Genetic Engineering Vindicated

Just a few years ago, scientists regarded it with extreme caution, hysterical city councils passed ordinances restricting it, and the People's Business Commission lobbied the federal government to ban it. Yet today, gene-splicing, or genetic engineering, stands vindicated as a relatively safe procedure, and it's starting to produce dramatic results.

Much of the attention thus far has focused on the production of interferon, a substance produced in tiny amounts by the body itself to defend against viruses and cancer cells. Scientists at two firms—Biogen and Hoffman-LaRoche—have announced the synthesis of interferon by common *E. coli* bacteria. Since the bacteria can be cloned, the potential exists for large-scale production of this valuable substance.

Just two weeks after the firms' January announcements, the federal government dropped most of its restrictions on gene-splicing work. Previously, all federally funded researchers using such techniques had to comply with extremely meticulous and costly containment requirements. Within the past year the consensus within the scientific community has changed, with the realization that the risks are much less than once was feared. As a result, last fall a special National Institutes of Health committee recommended only minimal safety precautions; its recommendations

Reason Papers...

. . . the journal that takes liberty seriously

. . . the journal that provides an open forum for thinking and debating about the free society—what would it be like? how successful are attempts to prove that it's the best social order? how does it relate to other, nonpolitical values?

Reason Papers is edited by Prof. Tibor R. Machan and a group of distinguished scholars and is published annually by the Reason Foundation. *Reason Papers* No. 6 is now available, and it includes some provocative debates:

- If Karen Ann Quinlan has the right to life, doesn't she have the right to death? If not, then the right to life is a curious kind of right— exercising it is not allowed to be a matter of individual choice. If so, does it mean that Karen Ann Quinlan's doctor—or anyone else— *must* intervene to end her life? Philosopher Antony Flew sorts out these issues.
- Is taxation theft? J. R. Kearl has met Robert Nozick's claim that it is with a counterargument: by enforcing property rights, the State makes for a more efficient use of resources; so it has a legitimate claim on the resulting increased social output. Economist Richard McKenzie takes a look at this attempt to justify taxation.
- Did Aristotle turn away from the libertarianism of several of his predecessors in Greek political thought, opting instead for a paternalistic State? Philosopher M. T. Owens revives the debate with a comment on "The State and the Community in Aristotle's *Politics*," from *Reason Papers* No. 1.
- If the owner of the only spring in a desert oasis withholds his water unless the other oasis-dwellers do his bidding, is he exercising coercion? Free-market economist F. A. Hayek thinks he is. Political scientist Ellen Paul examines Hayek's writings on freedom, coercion, and the rule of law to see how far they take us on the road to liberty.
- Some economists say that, even with greater governmental controls over earning and spending, the average American has more liberty today than a century ago because his income is higher, so he can do more things. Are wealth and liberty really interchangeable? Economist E. C. Pasour considers the argument.
- If we figure out what is the best scientific method, does this tell us something about the best political arrangement? And what about the reverse? Philosopher Robert Hollinger outlines the position of Paul Feyerabend, controversial philosopher of science and author of *Science in a Free Society.*

Challenge your thinking with *Reason Papers* No. 6!
Mail the coupon below to get your copy.

REASON PAPERS
P. O. Box 40105
Santa Barbara, CA 93103

☐ Please send me *Reason Papers* No. 6. My check or money order for $4.50 is enclosed.

Name_____
Address_____
City_____
State_____ Zip_____

were officially adopted by NIH by publication in the *Federal Register* on January 29.

The new consensus hasn't convinced everyone, however. Sen. Adlai Stevenson has introduced a bill that would require companies to notify the federal government of their gene-splicing work—even if they don't receive a penny of federal funds. At present most companies doing such research are voluntarily submitting data to NIH and following its containment guidelines. Stevenson wants to make this mandatory, despite some researchers' fears about proprietary data being compromised in this hotly competitive area.

Going All the Way

One of the leading opponents of airline deregulation before it was enacted has done a complete about-face. TWA president C. E. Meyer, Jr., now thinks deregulation is not going fast enough; he wants the Civil Aeronautics Board terminated *this year* instead of in 1983, as planned.

Speaking to an *Aviation Week* conference on the effects of deregulation, Meyer endorsed a completely free market as the best way of enabling air carriers to cope with soaring fuel prices. "Genuine deregulation—not the selective, halfway, piecemeal version we've seen so far—could have gone a long way toward enabling the airlines to stem the crippling erosion of their profitability last year," he said. And he pointed out that the airlines were hurt even worse in the international market, where the CAB retains full regulatory powers.

All in all, it's an amazing turnaround for one who (like many airline officials) was as recently as two years ago predicting disaster due to competitive freedom.

Truck Battle Heats Up

Would you believe General Motors in bed with the Teamsters to oppose Jimmy Carter and Ted Kennedy? That's how the trucking deregulation battle is shaping up in Washington.

Economists long ago demonstrated that regulation of trucking by the Interstate Commerce Commission benefits mostly those truck firms that manage to obtain ICC certificates. Shippers in general pay 20 to 50 percent more than they would in a free market, and various arbitrary regulations result in thousands of trucks making return trips (backhauls) empty, wasting a billion dollars or more just in fuel each year.

Over the past two years the ICC has taken a cue from the success of airline deregulation and begun loosening up. Entry requirements have been reduced, the hauling of government freight deregulated, and some restrictions on backhauls eased. But the law still tightly controls pricing and service, allowing truckers to set rates collusively under antitrust immunity. It is breaking up this cartelization that most economists favor—and which the Carter administration's bill, essentially the same as Kennedy's, is designed to do.

Congress, however, hasn't been quite so eager. In the Senate, Commerce Committee chairman Howard Cannon is presiding over a more modest bill that would reduce but not eliminate the antitrust immunity—and would also restrict the ICC's taking major deregulatory steps on its own. In the House an even weaker bill is wending its way through committees. These bills have come under fire for their timidity from, among others, Transportation Secretary Neil Goldschmidt, Associate Attorney General John Shenefield, the National Federation of Independent Business, and the ICC's new chairman, economist Darius Gaskins.

But just when it looked as if only the Teamsters and the American Trucking Associations would be opposing deregulation, who should come along but a group of truck industry suppliers: GM, Firestone, B. F. Goodrich, Bethlehem Steel, Republic Steel, and Corning Glass. These worthies have now organized the Committee of Truck Shippers [shippers?] to lobby for retaining "the key elements that promote stability in the industry"—namely, the status quo that leads to above-market profits for those who purchase trucks and tires.

The outcome remains in doubt. But one thing seems clear: at least in this case, what's good for General Motors is certainly *not* what's good for the country.

FTC Slammed Again

The antiregulation steamroller moves on, with the Federal Trade Commission still among the leading targets. Latest to act was the Senate, which voted 77-13 in February to impose significant restrictions on FTC powers.

Included in the Senate bill were bans on the FTC's attempt to regulate "unfair" commercials aimed at children and on its efforts to control the activities of private standard-setting organizations like Underwriters' Laboratory. But the effort to include a one-house veto of new trade regulations, as passed by the House (see Trends, Feb.) was defeated on the Senate floor. Passed instead was a much weaker provision calling for a 20-day review period during which the commerce committees of both houses would consider proposed trade regulations. If either disapproved, both houses would have to vote to overturn the rules within 60 days, subject to the president's approval.

Anti-FTC forces also lost a close vote on barring the agency from taking any action with respect to state-licensed professions. And the effort to stop the FTC from paying the expenses of lobby groups that testify before it was watered down to provide only a limit of $50,000 per rule-making.

How the House and Senate will resolve their differences was unclear at press time, and President Carter has threatened to veto the final bill. But the wide margin by which both houses voted makes the likelihood of an override of any veto quite high.

Proprietor's Liability

In March we reported a victory for airport neighbors in Los Angeles, wherein the California Supreme Court upheld their right to sue for damages caused by increased noise due to airport expansion. Now another southern California court has clarified another key issue: the airport operator's authority to control the noise.

For years the argument has raged over this issue. Those in favor of more noise (mostly the airlines) have argued that because the federal government (via the Federal Aviation Administration) operates the airways and sets noise requirements for planes, it has therefore *preempted* the field of noise control. Airport operators (usually city governments or port authorities) have countered that, as the owners of the facilities and as parties increasingly being found liable for noise damages, they must be able to specify rules of operation for those who use their facilities.

The airport operators' eminently reasonable position has now been upheld by Superior Court judge Thomas C. Murphy. In a case filed by Hughes Airwest against the Burbank-Glendale-Pasadena Airport, Judge Murphy rejected the federal preemption argument and held that the airport's noise rules are "reasonable and nondiscriminatory." Thus, the airport authority is being treated just like a private firm, with both the rights and responsibilities of an owner.

Needless to say, the airline plans an appeal, and the issue is expected eventually to wind up before the US Supreme Court.

Milestones

• *Constitutional Sex.* A New York statute prohibiting "deviate" sexual conduct (including sodomy and oral sex) between persons not married to each other has finally been struck down by the New York Supreme Court, appellate division. The court ruled that "personal sexual conduct is a fundamental right" stemming from the right to privacy in a relationship.

• *Allocation Anomalies.* Statistics show that there is more gasoline available today than there was a year ago and that gasoline demand is down, yet car drivers have

found themselves in lines once again. The culprit, says the *Lundberg Letter* (a widely regarded weekly gasoline-sales publication) "is an allocation system that requires uniform treatment in broad geographical areas a month at a time." One gasoline station owner, Jules Krasner of Florida, adds that "the oil companies will give us more gasoline, but the Department of Energy office in Atlanta won't approve my requests for additional amounts." Sure sounds like the DOE doesn't know how to run a business.

• *The Shadow Knows.* The Shadow Open Market Committee, a 10-member panel organized by monetarists to influence the Federal Reserve System's policymaking Federal Open Market Committee, announced that it believes it has finally succeeded in converting the Federal Reserve System after seven years of work. Fed chairman Paul Volcker virtually concurred with the group in advocating progressively lower growth rates for the money supply as a way to ease inflation. The shadow committee's next efforts will be directed at reducing the ratio between government outlays and the gross national product to 20 percent by 1985 (it is projected at 22.3 percent in 1981).

• *IRS Memos Now Open.* District Judge Charles Richey in Washington ordered the Internal Revenue Service to release all General Counsel memoranda, Actions on Decisions, and Technical Memoranda written since the Freedom of Information Act in 1976. These explain the legal reasoning behind IRS rulings and policies. The IRS has asked for a rehearing, saying the notes contain tax-return data. The Taxation Without Representation Fund, which publishes a magazine called *Tax Notes* and which sought the information, says it would agree to delete such tax-return information from public release of the documents.

• *Adults-Only Rental Bans.* Pollster Mervin Field announced that 75 percent of the respondents in a survey on adults-only rentals in California oppose prohibiting such complexes, and 85 percent support the right of adults to live in such complexes. A state bill that would have banned adults-only complexes (SB 440) died in the legislature. Referring to the 505 adults interviewed by telephone in the survey, Field noted that "property rights is where they draw the line" and said that "there's a growing feeling of anti-legislation."

• *SEC Rule Opposed.* A new Securities and Exchange Commission rule that requires a tender offer to proceed within five days of a takeover announcement has been challenged in federal court by the Ohio Attorney General. Ohio law requires a 20-day waiting period as a protection to investors; some 36 other states have takeover statutes with similar waiting periods, and they are likely to challenge the rule also if the Ohio effort is successful. Ohio Attorney General William Brown complained that the SEC is making "simultaneous compliance with state and federal laws an impossibility."

• *Utah Joins Rebellion.* The so-called "sagebrush rebellion" (see Trends, Dec. 1979, and "Trouble on the Range," Dec. 1977) has a new ally—Utah. A recent state law claims 22 million acres (42 percent of the state) now held by the federal Bureau of Land Management. The Utah version sets up a state board to plan uses for the land, and its governor Scott Matheson says Utah will wait until the courts decide whether their claim is legal.

• *Greyhound Monopoly Slimmed Down.* California's Public Utilities Commission, in a landmark decision, approved a Trailways bus lines application to serve routes between San Diego and Yuma and between Calexico and Los Angeles along with Greyhound. The application was actively opposed by Greyhound, but the PUC noted that competition would encourage "innovative fare schedules, cleaner and better maintained depots, and courteous, accommodating personnel."

• *Charity Restrictions Lifted.* The Supreme Court, in an 8-1 decision, struck down a law limiting administrative and fundraising spending by a charity to 25 percent. The ordinance was passed by a Chicago suburb, Schaumberg, allegedly to protect residents from fraud and (somehow) to protect the physical safety and privacy of residents. *Average* fundraising costs in Illinois run to 26 percent. There are various regulations in 35 other states restricting a charity's freedom to operate.

• *S.S. Head Comes Clean.* Outgoing Social Security Commissioner Stanford Ross has admitted that Social Security is a tax on workers, a pay-as-you-go system weighted to favor low-income workers in which workers pay much more than they would have to for the same benefits to a private insurance company. He categorized as a "myth" the idea that Social Security is a contributory pension plan.

• *How to Stop Progress.* A report by the Committee for Economic Development blames government for retarding technological progress. The report asserts that excessive regulatory activity and uncertain economic policies have increased the risks for would-be investors while current tax policies have reduced the real potential return on investment and have channeled investment funds away from innovative opportunities toward hedging activities.

— Robert Poole, Jr., and Christine Dorffi

Speak German like a Diplomat!

What sort of people need to learn a foreign language as quickly and effectively as possible? Foreign Service personnel, that's who. Members of America's diplomatic corps are assigned to U.S. embassies abroad, where they must be able to converse fluently in every situation.

Now, you can learn to speak German just like these diplomatic personnel do—with the Foreign Service Institute's Programmed Introduction to German.

The U.S. Department of State has spent tens of thousands of dollars developing this course. It's by far the most effective way to learn German immediately.

The Programmed German Course consists of a series of tape cassettes and an accompanying textbook. You simply follow the spoken and written instructions, listening and repeating. The course begins entirely in English. But by its end, you'll find yourself learning and speaking entirely in German!

This course turns your cassette player into a "teaching machine." With its unique "programmed" learning method, you set your own pace—testing yourself, correcting errors, reinforcing accurate responses.

The FSI's Programmed German Course comes in two volumes. You may order one or both courses.

☐ Volume I. Basic.
9 cassettes, 13 hours and a 647-page text. $115

☐ Volume II. Advanced.
8 cassettes, 8½ hours and a 333-page text. $98.
(New York State residents add appropriate sales tax.)

Your cassettes are shipped to you in handsome library binders.

TO ORDER, JUST CLIP THIS AD and mail with your name and address, and a check or money order. Or, charge to your credit card (American Express, VISA, Master Charge, Diners Club) by enclosing card number, expiration date, and your signature.

The Foreign Service Institute's German course is unconditionally guaranteed. Try it for three weeks. If you're not convinced it's the fastest, easiest, most painless way to learn German, return it and we'll refund every penny you paid! Order today!

AUDIO-FORUM®

Audio Forum
Dept. 502
145 East 49th St.
New York, N.Y. 10017
(212) 753-1783

WHATEVER HAPPENED

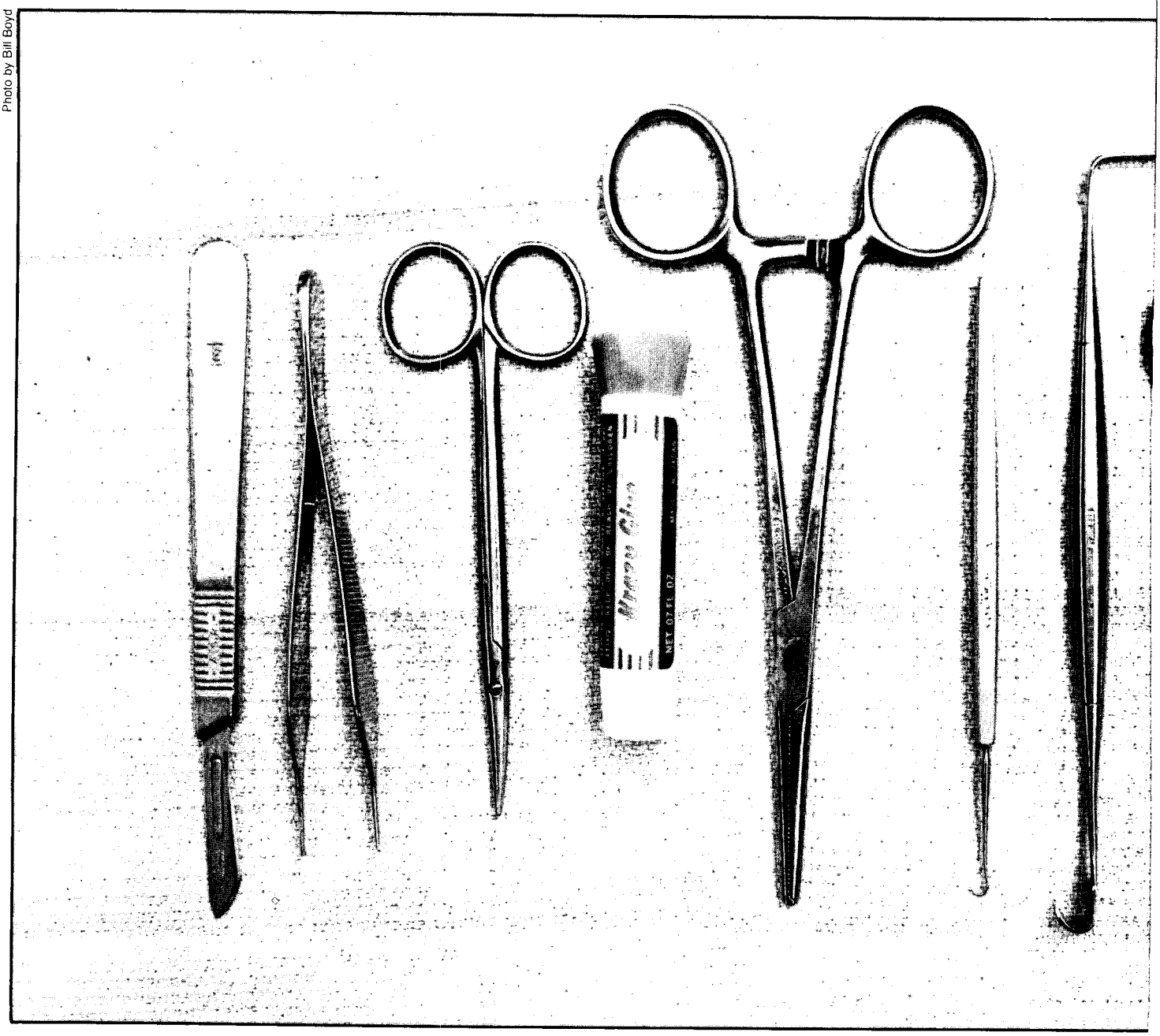
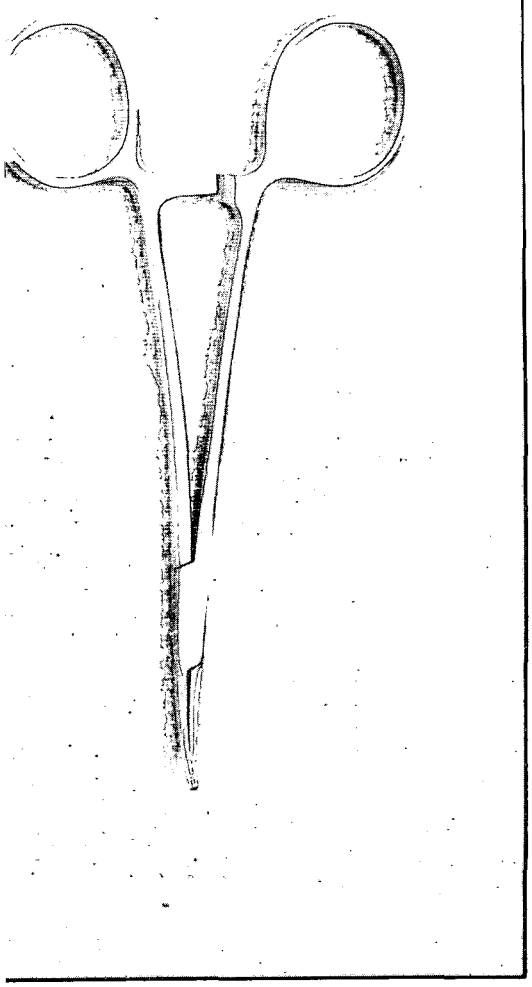


Photo by Bill Boyd

TO HUMAN BODY GLUE?



By David A. Mathisen

It saved thousands of lives during the Vietnam war, it can stop massive hemorrhaging in minutes, it offers new hope for ulcer patients — so why isn't it on the market?

Suppose someone developed a revolutionary surgical technique that could save tens of thousands of lives every year. Suppose also that the technique required the use of a specific new chemical.

Although a doctor can employ any new surgical technique he finds useful, involvement of a chemical throws the entire procedure into the lap of the Food and Drug Administration (FDA). And since the substance cannot by law be used without FDA clearance, it becomes automatically illegal to use the *surgical technique* without FDA approval. Thus, in our scenario, the revolutionary surgical technique could not lawfully be used, regardless of its lifesaving possibilities, until the FDA had approved at least an Investigational New Drug Exception (IND)—and later a New Drug Application (NDA)—for the chemical involved.

Now suppose that for some ill-defined reason concerning potential undesirable side-effects—already disproven many times by leading medical investigators and taken seriously by few outside the agency—the FDA refused to issue the needed NDA. What could anyone do about it? What could even the most renowned surgeon do to get around FDA refusal to license the chemical even in the light of abundant evidence indicating that its qualms were unfounded? The answer is *nothing.*

Unfortunately, this scenario is not hypothetical at all. It is exactly what has happened in the case of a group of chemical bonding agents known in technical terminology as cyanoacrylate* tissue adhesives.

Put simply, these chemicals glue body tissues together in much the same way model-airplane glue binds plastic. Cyanoacrylate is a monomer glue that rapidly polymerizes (forms long chains of molecules much like the intertwining of short fibers of wool or cotton to form thread) upon contact with body fluid and adheres firmly to bleeding tissue. There, it forms a flexible temporary seal beneath which natural healing takes place. The substance erodes gradually and is eliminated from the body.

HEALING POSSIBILITIES

Over the past 25 years, cyanoacrylate glue has been effective in saving lives in a staggering variety of cases. Used primarily as an aerosol sprayed on open wounds, the glue proved itself as the most significant surgical breakthrough of the decade during the Vietnam war, when Army doctors were able to save hundreds of lives in the field and in military hospitals at home.

Since then, the substance has been perfected for application through an endoscope, a sophisticated long, flexible tube run through a patient's nose

* Pronounced: SI-ə-nō-AK-rə-lāt

or mouth and down the esophagus to gain direct access to the esophagus, stomach, and intestines. In this way it can be used to seal bleeding internal abrasions and cuts—primarily ulcers—in seconds, enabling them to heal rapidly without interference from digestive acids.

With a green light from the FDA, there is no reason why endoscopically applied cyanoacrylate couldn't render the treatment of ulcers a problem of the past. In terms of the alleviation of human suffering, the implications of this use alone are inestimable. And this is only the beginning.

More recently, techniques have been perfected for applying cyanoacrylate almost anywhere in the body through micro- and macro-catheters—fine, flexible plastic tubes inserted directly through veins and arteries to reach specific parts of the body far inside. The aim? To block malfunctioning blood vessels—without surgery.

Again, further applications are just beginning to be realized: control of malignant tumors, for example, or destruction of all or parts of malfunctioning organs (such as appendix or spleen) where surgical intervention is impossible or difficult. Cyanoacrylate has also been used successfully since 1965 for reinforcing and preventing rupture of aneurysms (tiny blood vessels whose weakened walls threaten to burst and cause fatal hemorrhaging), particularly in the brain.

There are conventional agents similar to cyanoacrylate, such as methacrylate, the synthetic agent used most often for sealing aneurysms. But cyanoacrylate has a big advantage: because it can form its protective coating in the presence of water, it can be used while bleeding is still active. All other agents require that bleeding be stopped *first*. In wet tissue, the liquid glue congeals into a bleeding-stopping film in about 90 seconds.

HAPHAZARD POLICY

Considering these and other available applications, even the most casual observer must wonder where this medical "miracle" is today. Why aren't there spray cans of it on the shelves of every American emergency room or operating room and in every ambulance, ready to save lives in otherwise hopeless situations? It's easy to spell out the answer: F-D-A.

Since the years of the Thalidomide panic and the subsequent Kefauver congressional hearings, the Food and Drug Administration has consistently refused to license cyanoacrylate glue for any medical use, including dental work. And it has done so in the face of 27 years of use in laboratories in American medical schools and research institutions and in the US armed forces and despite 10 years of intensive general surgical use overseas, in nations where drug regulatory agencies have long considered cyanoacrylate innocuous.

For the uninitiated: The FDA licensing procedure involves the reluctant issue of Investigational New Drug exceptions to specific doctors and their research groups, who are then enabled to use a drug or substance in specific clinical situations—but only on patients who are almost certain to die anyway or are unacceptable candidates for conventional surgery. The burden of proving the drug's safety for general use, along with the expense of financing the detailed studies necessary to convince the FDA, falls on the medical community and private corporations. In the case of cyanoacrylate, even the large numbers of specialists convinced of its safety and efficacy have found that mustering evidence sufficient to satisfy the FDA is a formidable, costly, and slow process.

Even the specialists convinced of its safety have found that mustering evidence sufficient to satisfy the FDA is a formidable process.

American surgeons familiar with the tissue adhesive and aware of its amazing healing capability are anxious for the FDA to license it for general surgical use. It could, they believe, become a hospital mainstay, saving countless lives by enabling the rapid sealing of hemorrhaging in accident victims or providing instant fluid-loss protection over large areas of the bodies of burn victims.

But these researchers remain powerless. Be it out of simple ignorance or out of a desire to play it safe and protect its image and its track record—a record of few errors of commission despite countless fatal errors of omission, usually from doing nothing—the FDA's stance on licensure of cyanoacrylate is so typically and tragically haphazard that the glue may never be widely—and legally—available.

WHAT CAN BE DONE WITHOUT THE FDA

The earliest form of cyanoacrylate was developed by Eastman Laboratories, which in 1955 first reported its remarkable ability to glue ruptured body tissue until natural healing processes could take place. This form of the glue, called Eastman 910, was perfected for a wide variety of uses during the late '50s and early '60s at Walter Reed Army Institute of Research (the Defense Department's center for medical research and treatment of VIP Defense personnel). The Walter Reed work was done under the direction of Dr. Teruo Matsumoto, then chief of experimental surgery, with the G. Barr Company cooperating in development of the aerosol delivery system for use on open wounds. As the story of cyanoacrylate unfolds, it will become clear how important it was that, as part of the military, both Matsumoto and the institute were exempt from FDA controls.

The Eastman glue was used extensively during the war in Vietnam—at Walter Reed and at the Third Surgical Hospital in Bien Hoa—under the direction of Capts. John Collins and Paul James. Its performance in the field was nothing short of miraculous. *Medical World News* reported on it in July 1967: "Military surgeons have developed a novel technique to stop bleeding....A small aerosol bottle that delivers a fine spray of adhesive has saved the lives of critically wounded US infantrymen in Viet Nam. The spray put an end to massive hemorrhages of the kidney or liver that could not be controlled by any other technique. Within seconds after the adhesive was sprayed onto the ruptured organs, a crust formed and bleeding stopped." The article quoted Col. Robert M. Hardaway III, then director of Walter Reed's surgery division: "So far, follow-up studies on the men treated for massive bleeding have not revealed any unfavorable side effects."

Other significant advances had been made using cyanoacrylate outside the military—largely without benefit of INDs from the FDA, which was much less strict in the years before Thalidomide. Between 1956 and 1973, for example, 45 terminal patients at

the University of Minnesota and affiliated hospitals were successfully treated with the glue. But because civilian researchers could not find corporations wealthy enough to underwrite their battles against FDA intransigence—a problem the military didn't have to bother with—these advances have seen little publicity.

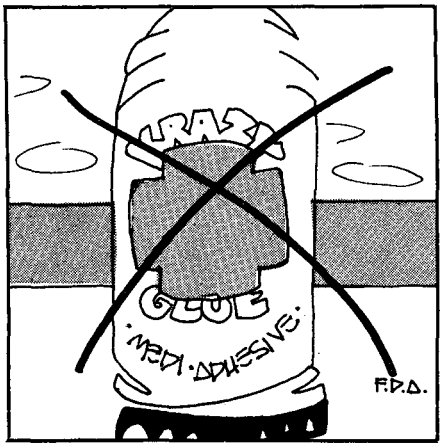
Much of the early pioneering work was done by Dr. Shelly Chou, head of neurosurgery at the University of Minnesota, and Dr. Charles Carton of Cedars-Sinai Hospital in Los Angeles. In the mid-'60s, Dr. Chou and his group worked with a version developed in Japan, testing it on cats to determine whether there are any long-term effects in the brain. After three years the animals showed *no* effects. At autopsy, no brain or nervous system effects from the glue were found, and it was pronounced totally innocuous—that is, to have *no* side effects.

Overseas, applications of cyanoacrylate proliferated rapidly. By the early '60s it was already in general clinical use in Japan for sealing wounds, mending torn intestines and broken bones, neurosurgery, and gynecological surgery. It was also gaining wide acceptance in clinical surgery in Germany, France, Switzerland, and Canada.

SAFE—OR NOT

A glance at *Index Medicus*, the "bible" of current American medical research, for any year since 1970 reveals at least a half-page of cyanoacrylate citations for uses ranging from hemorrhage control to eye surgery. In the United States, most of these applications have been developed on lab animals, only to be forbidden for human use by the FDA. The October 26, 1973, issue of *Medical World News* reported the sad situation: despite its numerous uses, manufacturers of cyanoacrylate adhesives "evidently feel it is not worth their time, money, and effort to win FDA approval."

It's not that they haven't tried. In the early '60s several companies were working on perfecting cyanoacrylate. But when the FDA found signs of tissue toxicity (tendency to cause inflammation in surrounding tissue and to activate the body's rejection mechanisms) in one of the three types under investigation, licensure was refused for all three until the companies developing the other two were able to submit



The FDA's stance on licensure of cyanoacrylate is so typically and tragically haphazard that the glue may never be widely available.

proof that the toxicity was not common to theirs as well.

A few years later, American industry again tried to break through FDA blockades. In the late '60s several major drug firms, including Eastman, Ethicon (now owned by Johnson & Johnson), and the Surgical Products Division of Minnesota Mining and Manufacturing (3M), focused on potentially lucrative dental applications of cyanoacrylate tissue glue. This, they thought, was an area in which they might be able to commercially justify use of the time and money needed to meet FDA standards.

Unfortunately, FDA tests revealed tissue toxicity in the Ethicon type, and the toxicity bogeyman was again foisted on all three companies. Later, Eastman and 3M were able to prove independently that their versions of the glue were not toxic, and dental INDs, allowing use only in the mouths of humans already dying from some other malady, were approved for Eastman 910 and 3M's version, MBR 4197.

But then, in 1972, FDA tests showed that large aggregations of the adhesive implanted in lab animals sometimes caused malignant fibrosarcomas (cancerous masses of scar tissue). At that point, the agency indicted cyanoacrylate as "possibly carcinogenic," ordered an immediate halt to any use of the glue, and rescinded all outstanding INDs.

Although convinced that their products were not carcinogenic and that the FDA's results were insignificant, Eastman and Ethicon dropped out. They simply could no longer bear the financial burden of proof. That left only 3M, which held on and undertook another costly series of carcinogenicity tests to prove the safety of MBR 4197.

A CLEAN RECORD

Even at that time, however, the fibrosarcoma test—long the most popular test with the FDA and AMA for determining the propensity of a substance to cause cancer—had been discredited. The FDA's labeling of cyanoacrylate as "possibly carcinogenic" was taken seriously by few nongovernment investigators outside the AMA.

And long before the FDA's questionable reports of carcinogenicity and the industry's expensive "counterstudies," the experience with cyanoacrylate had given no indication that it can cause cancer. At the top of the list was the 15-year use of the glue at Walter Reed Army Institute of Research.

In 1977 I asked Lt. Col. Arthur Fleming, director of surgery at the institute, to make a complete search of all records of soldiers treated with cyanoacrylate. After receiving the necessary clearance from Walter Reed security headquarters to release the information, Fleming reported: "My evidence is that there was no carcinogenesis associated with the cyanoacrylates that were being used at Walter Reed.... The man who did the original histo-chemical studies [of effects on the body's normal biochemical activity] was with Walter Reed in the 1960s and found no evidence of carcinogenesis."

It has, unfortunately, proven impossible to learn the name of that man. According to Lt. Col. Fleming, "He is with the FDA now, and could not comment due to 'conflict of interest.'"

Dr. Larry Johnson, chief of gastroenterology at Walter Reed then and now, had this to say about the FDA's unilateral action of 1972: "I hadn't... seen any patients treated with the cyanoacrylate who had any side effects from the glue. In 1972 we had substantial evidence that it was not carcinogenic, and no results suggesting that it might be."

With the wealth of evidence prior to 1972 indicating that cyanoacrylate is not carcinogenic, with all the use it had seen before 1972 among civilians in Europe without even the suspicion

Illustration by Lisa Quackenbush

of carcinogenicity, and with American researchers involved since 1955 unanimous in their conviction of its safety, the FDA's 1972 shutdown of all work on cyanoacrylate adhesive applications is difficult to make sense of. My own search for an explanation, via calls to the head of the FDA department responsible for the fibrosarcoma tests, has been fruitless. The department head claims that he cannot comment without clearance from the FDA's public relations officials, and that office has refused to grant a clearance—and refused to give any reason for its refusal.

CANCER THE FDA WAY

Outside of the FDA, there is no such unwillingness to discuss those tests. William Walsh is a senior specialist with the clinical research group of 3M's surgical products division. His comment on the 1972 research shutdown and the FDA's continued lockup of cyanoacrylate? "The rodents used in these [fibrosarcoma] studies are very prone to develop these tumors—much more so than humans. It is simply an innate characteristic of the animals. They will develop fibrosarcomas when practically any foreign body is implanted in delicate tissue.

"Even in Germany, when the cyanoacrylates first came on the market, the German Ministry—the analog of our FDA—raised the same questions raised by the FDA here. But German toxicologists had little trouble convincing the German Ministry that it was due to a trait in the lab animals. In the United States it isn't nearly so easy... but we have to deal with the political reality that the FDA has absolute authority to keep *any* drug—no matter how lifegiving its primary action and no matter how unlikely the possibility of untoward side effects—*off* the market."

Dr. Stephen Silvis has worked with cyanoacrylate at the Minneapolis Veterans Administration Hospital. His comment? "The FDA became concerned... when they got some fibrosarcomas in lab animals. But these fibrosarcomas didn't prove it was carcinogenic. In their tests, they formed a hard ball with the glue and, when implanted in the lab animals' tissue, it gave a typical foreign-body reaction. Fibrous tumors surrounded them. But this reaction is not necessarily specific to the material implanted."

Dr. Gerald Shklar, head of the department of oral medicine and oral pathology at the Harvard University School of Dental Medicine and a foremost cancer study expert, was retained by 3M to do further carcinogenesis tests on MBR 4197 after the FDA revoked 3M's IND in 1972. The results?

"Our model was very good," reported Dr. Shklar. "We used the cheekpouch of the Syrian hamster—a very delicate mucous membrane. We painted this tissue with 3M's cyanoacrylate homologue three times a week for six months. If the cyanoacrylate was carcinogenic, it would have caused cancer in the hamster. It did not. There was not a single tumor. The results were completely negative."

Autopsies performed on thousands of lab animals since 1955 have shown no tendency in the adhesive to concentrate in body tissues.

"We also applied the glue to open wounds in the hamster's mouth," added Shklar, "with the same conclusively negative results. We did not observe even any precancer stages. I would be quite confident that the glue would prove equally innocuous in any part of the body."

I asked Shklar what he thought of the FDA's 1972 fibrosarcoma studies. "I'm not familiar with their particular studies, but the only way I could foresee that you could get a tumor would be if you built up a bulk of the material in an implantation [exactly what the FDA did]. You could then get a physical irritant and a fibrosarcoma could result. But by this method, you could get a tumor with practically any foreign substance, including glass and sugar."

The FDA is, of course, aware of the ambiguities of the fibrosarcoma test. While outside experts maintain that the test is irrelevant in this case, the FDA stands by it as a statistical indicator of degree of carcinogenicity related to the number of tumors produced. What the outside experts have in their favor is that cyanoacrylate is simply never used in a manner that would permit sizable deposits to develop. Autopsies performed on thousands of lab animals since 1955 have shown no tendency in the adhesive to concentrate in body tissues. The glue is so effective, and is used so sparingly, that it would be a rare case indeed in which the amount applied would be sufficient to form an aggregation even close to the size of the FDA test implants.

Put bluntly, then, it appears that the test which halted work with a chemical substance known since 1955 to be effective and *safe* was one that virtually *forced* lab animals to develop tumors—as a nonspecific reaction to an implanted foreign body. And because the foreign body happened to be a cyanoacrylate aggregation, the FDA ignored all evidence to the contrary and banished a miraculous lifesaver to confinement in the bowels of its labyrinthine bureaucracy.

It took three years for 3M to rescue cyanoacrylate from the FDA's questionable verdict. In 1975 it won approval of a second IND for oral applications of MBR 4197.

Later in 1975 Dr. Stephen Silvis, then chief of gastroenterology at the Veterans Administration Hospital in Minneapolis and professor of medicine at the University of Minnesota, secured an IND for the 3M glue applied with an endoscope for gastrointestinal (GI) problems. Silvis soon became the leading—in fact, the only—researcher *legally* using cyanoacrylate to save human lives. (Several others elsewhere continued to use it without FDA approval. Had they been caught thus saving lives, they could have been prosecuted and found guilty of a federal felony and jailed.)

SUCCESS STORIES

One striking example of cyanoacrylate's efficacy in GI cases concerned a man admitted to the Minneapolis VA Hospital in 1976, after attempting suicide by swallowing Drano. The man was hemorrhaging massively from lesions (lacerated tissue) throughout his esophagus and upper GI tract. By conventional medical standards, he was as good as dead. Luckily, under the existing IND, Dr. Silvis and his colleagues were able to use an endoscope to spray the lesions with cyanoacrylate. Eighty percent of the bleeding was stopped within minutes, and a second application took care of the rest. There was no further bleeding, and the man was discharged a week later. Now, after more than three years, the patient is still healthy and has displayed no side effects from either the glue or the lesions, which have healed completely.

Two other advanced methods to stop bleeding—electrocoagulation and lasers—are now under investigation. But cyanoacrylate, again, has an advantage: it causes no further tissue damage, whereas both electrocoagulation and lasers can cause extensive damage to surrounding tissue.

In 1977, Dr. Silvis's studies were expanded into a multicenter investigation involving several hospitals across the nation. Walter Reed Institute became involved in the use of the glue for the first time since Dr. Teruo Matsumoto left in the mid-'60s, putting an end to his research. (Matsumoto, now at Hahnemann Medical College, has refused comment on his own cyanoacrylate work—or anyone else's.) Under this study, 100 patients received cyanocrylate treatment, with results similar to those obtained by Silvis in his earlier research.

An IND has also been granted to researchers to try one other application of tissue glue: blocking of blood vessels by applying the glue through a fine tube fed through the vessels to the appropriate spot (transcatheter embolization). Dr. Martin L. Goldman, director of vascular research at the Albany (N.Y.) Medical Center Hospital, has had considerable success using the glue for "medical splenectomies" (killing a lethally infected spleen in place—without surgery—by blocking the blood vessels feeding the spleen and its infection). Again, cyanoacrylate is not only successful but superior to alternatives. More than half of all conventional nonsurgical destruction of infected spleens (done with Gelfoam or other particle embolizers) lead to abcess of the organ, notes Dr. Goldman. Cyanoacrylate, on the other hand, has shown no tendency to promote abcessing.

At the Mason Clinic in Seattle, Dr. Patrick C. Freeny has used this material to block malfunctioning blood vessels in some 40 patients made "legal" subjects under FDA doctrine because they were high surgical risks. He too concludes that the glue has significant advantages over conventional methods. "With particle embolization," he reports, "you inject into the blood stream, and the particles go where the blood stream carries them—you hope, where you want them. Sometimes they can go off and fatally block an artery you *don't* want blocked, such as one bringing blood to the heart. But with the cyanoacrylate we can use a silicone micro-catheter to go way out in the peripheral circulation and plug the vessel exactly where we want to."

Each specific use of tissue glue must fight its own lonely battle through the bureaucracy.

And Dr. Freeny's work has turned up still more evidence of the safety of cyanoacrylate. Autopsies of patients who died of the terminal condition that made them legal for use in the study have shown that the glue has about the same, negligible, tissue toxicity as nonabsorbable silk suture. And, notes Freeny, the vessel blockages have proven permanent enough to achieve the desired lifesaving result.

TOO LITTLE, TOO LATE

There is some hope that the FDA is coming to the realization that its longstanding suspicion of cyanoacrylate may be unfounded. In early 1979, in a guarded and unpublicized letter to William Walsh of 3M, the agency allowed that, for oral applications, it seems likely that the glue is not significantly carcinogenic.

Yet the outlook for cyanoacrylate is still bleak. Even if the FDA made an across-the-board declaration that the substance is not carcinogenic, the time-consuming and stringent tests required for licensure constitute an undeclared war of attrition against the glue, its manufacturers, and its longtime proponents. And even if the FDA could be convinced to approve a New Drug Application, the road to approval for general surgical use remains long. If 3M obtained a cyanoacrylate NDA for gastrointestinal use, notes Dr. Silvis, "doctors would be able to use it only for the gastrointestinal applications specified in the detailed restrictions circular qualifying the NDA. All other uses would require a step-by-step process similar to the one we've gone through. First, extensive studies of *that* specific use on lab animals; then, approval of an IND; then, more extensive controlled studies on terminal patients under the IND."

Absurd as it may seem, *each specific use* of tissue glue—as with all new medical chemicals and drugs—must fight its own lonely battle through the bureaucracy. For each, a corporation must be found that is willing and able to bear the financial portion of the burden of proof.

And as one researcher notes, "In dealing with the FDA on these carcinogenesis tests, it's extremely expensive to convince them that a substance has no serious side effects. A drug company must justify enough economic return from estimates of potential sales markets in order to sink so much money into it. These economic constraints are probably the major thing that differentiates between the advance of modern medical breakthroughs into wide-scale public use in the United States from the advances in other nations, where the regulatory agencies are not nearly so difficult to satisfy—or where the regulatory agencies must assume the burden of proof that a substance *does* have harmful side effects before they can refuse to allow it on the open market."

The sizable potential sales needed to offset the costs of maneuvering the FDA course put cyanoacrylate in a particularly bad position. The very nature of the glue requires that it be used in only limited amounts. And since repeated applications are unnecessary, it appears that no matter how many uses of the glue are approved, it would still sell in very small quantities. A single *drop* goes a long way.

And so even 3M, which continued for so long to work on a promising new product in spite of uncertain returns, late in 1979 finally put cyanoacrylate "on the back burner," in the words of a disappointed William Walsh. Like the other American companies that have done cyanoacrylate work in the past, 3M has turned instead to the nonmedical arena, producing thousands of gallons of a nonmedical form of the glue for sale in department and dime stores as the household "super glues." Eastman markets its 1955 version under the original name, East-

OTHER DRUG LAG VICTIMS

Accident victims, ulcer sufferers, and others denied access to cyanoacrylate glue are not the only victims of the FDA's hypercaution. The agency's drug approval regulations have led to a "drug lag" of massive proportions: beneficial, even lifesaving, drugs are approved and in use far more rapidly in Europe than they are here.

Who is losing out? Dr. William Wardell detailed the scope of the problem in testimony before Congress last June:

- **Heart attack** victims have been denied a drug that prevents death after heart attacks, *alprenolol*, which has been available in Sweden since 1967 and approved for this specific use since 1976. Another, *practolol*, could be saving 10,000 to 20,000 lives a year. Many drugs to control high blood pressure have been approved for use in Britain—but for 11 years the FDA held them all off the US market. A single FDA employee held up for *six years* one company's plan to study the value of aspirin in preventing subsequent heart attacks.
- **Ulcer and gallstone** sufferers have been denied *carbenoxolone* and *chenodeoxycholic acid*, and access to three other such drugs was delayed for years.
- **Epilepsy** victims have a limited choice of drugs. Of 11 drugs approved in Britain or the United States from 1960 through March 1979, only one became available earlier here than in Britain. One drug, *sodium valproate*, was held up for over a decade.
- **Depression** sufferers have to depend on a limited range of products, also. In Britain they have many more choices, some of which, like *viloxazine*, are much safer or, like *mianserin*, have fewer side effects.
- **Migraine** patients in Britain have available such products as *clonidine*, *propranolol*, and *pizotifen*, which are unavailable here or became available years sooner in Britain.

Overall, Wardell and colleague Louis Lasagna have found that Britain has an overwhelmingly higher rate of pharmaceutical innovation, evidenced by the number of drugs being introduced exclusively—four times as many in Britain as in the United States. And the most significant time lags—frequently on the order of four to six years—occur in the crucial areas of cardiovascular, peptic ulcer, and central nervous system drugs. A similar picture emerges from comparisons with other advanced European countries such as Switzerland and West Germany. Concludes Wardell, "In terms of new medicines to treat diseases, therapeutic advances are overwhelmingly first available and used abroad, not in the US."

FDA commissioners alternate between denying that a drug lag exists (or ever existed) and claiming that they have taken steps to eliminate it. Meanwhile, the needless suffering continues.

— R. P.

man 910; 3M has resorted to selling MBR 4197 under the commercial name Super Glue; other companies produce brands like Krazy Glue.

The simple fact that these household adhesives are in such wide use today further discounts one of the FDA's reasons for keeping it off the medical/surgical supply lists: that it is allegedly "too dangerous to apply," that physicians might accidentally get it on tissue other than that for which it was intended, with disastrous results. When household cyanoacrylate first came on the market in the early '70s, Consumers Union expressed similar misgivings, worrying that consumers might inadvertently bind their fingers together and "require surgery to separate them." The Consumer Product Safety Commission responded by recalling 10 brands of the glue, but tests quickly satisfied both Consumers Union and the CPSC that their fears were unfounded. An acetone like simple nail-polish remover will quickly dissolve the glue if it accidentally binds to fingers or other tissue.

A DEADLY GAME

The history of cyanoacrylate at the hands of the FDA leaves us with the hypothetical question posed earlier—and now carrying the urgency of reality: What can a doctor do for a patient who is bleeding to death or who has another condition that cyanoacrylate can alleviate *without* significant risks of deleterious side effects? If the physician is to obey FDA regulations, he or she can still do nothing. The evidence marshaled here, however, makes a strong case for another response—civil disobedience. This would solve the patient's problem; it would provide no remedy for the larger problem at the root of cyanoacrylate's sad history: the untenable position medical research has been placed in by the FDA.

There is no court of appeals for FDA decisions, no place for individual patients or their doctors to argue in their own behalf.

To render the Food and Drug Administration more sensitive and humane, to increase its understanding of the risk/benefit analysis individuals would *themselves* make when faced with new drugs and unforeseen side effects, to speed up its response to escalating rates of technological and medical progress, would require total reorganization under congressional supervision. Yet this too would offer only superficial relief. The same forces that turned the FDA into the monolithic morass of self-justification it is today, and which *all* federal regulatory agencies tend to become, would ensure that in a decade or two we would be right back where we started.

The problem with conservative "reform" of the FDA is that, like many regulatory agencies, its "crime" is inherently passive. It need do nothing to withhold new drugs from the public. They are assumed a priori to be dangerous and remain illegal until the FDA gives its blessing. Potential developers of cyanoacrylate, along with countless other miracle medicines, are presumed guilty until proven innocent. And so the products they could be offering remain buried in *Index Medicus* and reports on investigators' shelves.

But this is not a fluke reflecting FDA arrogance or anachronism. This question of burden of proof is at the heart of setting up regulatory agencies as guardians of the public welfare. It is the only way the FDA—or the CPSC, EPA, or OSHA—can play the regulatory game. But in the FDA it is far deadlier than in other agencies. Each flaw and inefficiency translates more or less di-

rectly into an unnecessary loss of life or increase in human suffering.

And the patients at risk, and the doctors involved, have no recourse. That's what protection by regulatory fiat means. Guilt is assumed, innocence must be proven, and there is no court of appeals. Neither individual patients nor their doctors have any place to argue in their own behalf, to appeal even for one-shot exceptions based on the suffering that could be alleviated or death that could be averted.

Evidently, simply because a new drug is involved, Congress and the FDA consider doctors and patients unqualified to weigh the risks and benefits. And so the right to informed consent, held inviolable in all other domains of medical treatment, is withheld.

The paternalistic role of regulatory agencies can sound very nice in theory. Fatherly Uncle Sam is to look out for our interests, protecting us from undue risks and, in popular parlance, from greedy capitalist robber-barons who may be negligent or, at best, mistaken about safety. All of our lives are thus to be made easier. This parental image of government is the only conceivable justification for the immense, unilateral powers that the FDA and other regulatory agencies exercise over individual liberties. But it is the very antithesis of the free choice necessary for democracy.

And, to add insult to injury, the idea of paternalistic regulation doesn't even work out in practice like it is supposed to in theory, as the story of cyanoacrylate and any number of other case studies make crystal-clear. But as long as people delude themselves into believing that picture of an all-protective government, they absolve themselves of any responsibility for taking the trouble to think and become educated about the various aspects of modern life that have come under government control. Ironically, regulatory agencies monopolize the protection business, severely reducing the incentive for agencies in the private sector—such as Consumers Union—to come forward to do a better job. *Informed* consent is thus not only prohibited but made nearly impossible.

How have we become a nation in which nearly everything we do is regulated to our disadvantage by some government agency? The evolution of the FDA illustrates how those agencies turn out to be, not the well-intentioned bodies Congress may well have in mind when it creates them, but Frankensteins over whom the individuals they are meant to serve have no control.

PROTECTION THAT ISN'T

The only reason the FDA exists today is that Congress, via the Constitution, was given the power to enact laws to protect the "health, safety, and general welfare" of the public. Congress, one would assume, had this mission firmly in mind from the time of the original Food and Drug Act of 1906 right through 1931, when the FDA became an independent regulatory body under the Agricultural Appropriations Act.

Who will be called to account for the lives lost and the suffering prolonged during the years that cyanoacrylate was withheld?

Since that time, Congress has added various amendments to the FDA's enabling legislation, but the agency was not allowed to become the truly repressive force it is today until the great Thalidomide panic of the early '60s. Out of the resulting congressional hearings came a vast increase in the FDA's regulatory powers.

Unfortunately, the wave of hysteria and journalistic sensationalism inspired by Thalidomide was quite out of proportion to the actual number of deformed infants born. Drug companies were characterized as nothing but money-hungry capitalists anxious to increase profits by shoving all manner of untested drugs down American throats. They needed firmer regulation by fatherly Uncle Sam.

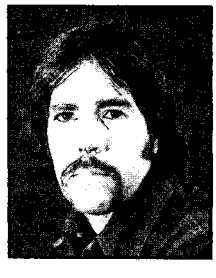
Of course, those congressional hearings did reveal pharmaceutical industry cover-ups and irresponsibility regarding possible drug side effects. But could that justify an automatic presumption of guilt for all firms and all new drugs? Does it change the fact that it may well be unconstitutional for any regulatory agency to have such powers over individual choice?

While Congress might be forgiven for not understanding then the implications of bestowing such powers upon a hard-line bureaucracy, those implications should be obvious by now to anyone who has the courage to face them. The overreaction of Congress was immense—and tragic. There is little excuse for Congress not to take prompt action to remedy its constitutional error.

The public today has demonstrated, in fact, that it does not want the FDA dictating its choices just because risky matters are involved. The reaction to the saccharin controversy is a fine example, and the message could not be more clear if a national referendum were taken. Clearly, modern Americans believe that they can make responsible assessments of risk independently of government.

Vast changes have taken place in the level of public awareness of medicine and medical advances since 1906, 1922, and 1931, when the FDA was taking shape. Even if at those times most people were too far from understanding the risks and side effects to be able to give reasonably informed consent regarding treatment with new drugs, in today's climate of an enlightened, educated public, FDA paternalism is undesirable and unjustifiable. It is, in fact, detrimental to the health, safety, and general welfare of the American public, as the cyanoacrylate experience makes abundantly clear.

If cyanoacrylate tissue adhesive is finally approved by the FDA for general surgical use, it will be interesting to see who will be called to account for the thousands of lives lost and the suffering prolonged during the years that it was withheld—years during which available methods were wholly inadequate to the tasks doctors faced. And it would be enlightening to see what the response of the Supreme Court would be if a citizen ever sued the FDA on behalf of a relative who died in an emergency room or ambulance for want of a lifesaving cyanoacrylate adhesive application. It would be interesting, indeed, to see how anyone could justify *that* as being helpful or effective in promoting anyone's health, safety, or general welfare. ◻



David A. Mathisen, a resident of Minneapolis, is a science journalist, environmental engineer, and novelist. He was formerly a contributing editor to Medical Dimensions.

THE HUMAN VALUE OF SEX

An excerpt from the long-awaited new book, *The Psychology of Romantic Love*

By Nathaniel Branden

ROMANTIC LOVE: In no other relationship is so much of our *self* involved. In no other relationship are as many different aspects of that self expressed. In romantic love two selves are celebrated as they are celebrated in no other context. How and why this is so has much to do with the role of sex in human existence.

The desire for sexual as well as psychological union is one of the defining characteristics of romantic love. Yet the meaning of the sexual interaction between a man and a woman is little understood.

It is obvious that sex is extraordinarily important to human beings. People devote a tremendous amount of time to thinking about sex, daydreaming about sex, seeing movies and reading books about sex—not to mention engaging in sex. The importance of sex in our lives is evidenced further by the fact that there is virtually no society known to us which has not laid down rules for people's sexual behavior. The most primitive tribes have rules concerning how people are to conduct themselves sexually. Certainly humankind's moral codes, especially religious codes, have been immensely preoccupied with sexual behavior. Part of the explanation for this intense concern is, of course, that sex can lead to offspring. But that is far from the only reason that social and religious codes have been concerned with controlling sexual desire and sexual expression.

The profound importance of sex lies in the intense pleasure it offers human beings. Pleasure, for human beings, is not a luxury, but a profound psychological need. Pleasure (in the widest sense of the term) is a metaphysical concomitant of life, the reward and consequence of successful action—just as pain is the insignia of failure, destruction, death.

In order to live, we must act, must struggle to achieve the values that sustaining life requires. It is through the state of enjoyment, through the state of happiness, through the state of pleasure that we experience the sense that life is a value, that life is worth living, worth struggling to maintain. Joy is the emotional incentive nature offers us to live. When we are successful in achieving life-enhancing values, the normal consequence is enjoyment.

Pleasure contains still another important psychological meaning. Pleasure gives us a direct experience of our own competence to deal with reality, to be successful, to achieve values—in a word, to live. Contained in the experience of pleasure, implicitly, is the feeling and thought "I am in control of my existence. I like my relationship to reality right now." Pleasure entails a sense of personal efficacy, just as pain contains a feeling of helplessness, of inefficacy, the implicit feeling and thought "I am helpless."

SEX AND SELF-CELEBRATION

Pleasure, then, gives us two experiences crucial to our unfolding and development. It allows us to experience the sense that *life* is a value and to experience the sense that *we* are a value (that we are efficacious, appropriate to life, in control of our existence). There is no knowledge more important to us than that of the value of life and the value of self, and pleasure, joy, provides that knowledge, *in the vividness and intensity of direct experience.*

The intimacy and intensity of the pleasure and joy that sex potentially affords are the reason for its power in our lives. Sex is unique among pleasures in its integration of body and mind. It integrates perceptions, emotions, values, and thought. It offers us the most intense form of experiencing our own total being, of experiencing our deepest and most intimate *sense of self.* Such—and this must be emphasized—is the *potential* of sex, when and to the extent that the experience is not diluted and undercut by conflict, guilt, alienation from one's partner, and so forth.

In sex, one's own person becomes a direct, immediate source, vehicle, and embodiment of pleasure. Sex offers a direct, *sensory confirmation* of the fact that happiness is possible. In sex, more than in any other activity, one experiences the fact that one is *an end in oneself* and that the purpose of life is one's own happiness. Even if the motives that lead a person to a particular sexual encounter are immature and conflicted, and even if, afterward, one is tortured by shame or guilt—so long as and to the extent that one is able to enjoy the sex act, life and one's right to the enjoyment of that life are asserting themselves within one's own being. Sex is the ultimate act of *self*-assertion.

This is true, in principle, even when there is no deep involvement with our partner. But its truth is overpower-

ingly apparent when sex is an expression of love, of life, and of our partner. It is most intense because *we* then experience ourselves as most *integrated.*

SEX AND SELF-AWARENESS

In the act of sex we experience a unique and intense form of self-awareness, one generated both by the sex act itself and by the verbal-emotional-physical interaction with our partner. The nature of our self-awareness in any given experience depends on the nature of the interaction, on the degree and kind of visibility we project and, in turn, are made to feel. If and to the extent that we enjoy a strong sense of spiritual and emotional affinity with our partner, and, further, the sense of having harmoniously complementary sexual personalities, the result is the deepest possible experience of self, of being spiritually as well as physically naked, and of glorying in that fact.

Conversely, if and to the extent that we feel spiritually and/or sexually alienated and estranged from our partner, the result is that the sexual experience is felt as autistic or alienated (at best) or frustratingly "physical," or sterile and meaningless (at worst).

This does not mean that, sexually, everyone longs for romantic love and is inevitably frustrated with anything less. But it does mean that to the extent that we are alienated from our self, our sexuality, or our partner, we are cut off from the most ecstatic possibilities of sexual union.

Sex affords us the most intensely pleasurable form of self-awareness. In romantic love, when a man and a woman project that they desire to achieve this experience by means of each other's person, *that* is the highest and most intimate tribute a human being can offer or receive, *that* is the ultimate form of acknowledging the value of the person we desire and of having our own value acknowledged.

A crucial element in this experience is the perception of our efficacy as a source of pleasure to the person we love. We feel that it is our *person,* not merely our body, that is the cause of the pleasure felt by our partner. (We want to be enjoyed as more than a good sexual technician.) We feel, in effect, "Because I am what I am, I am able to cause him (or her) to feel the things he (or she) is feeling." Thus, we see our own soul, and its value, in the emotions on the face of our partner.

If sex involves an act of self-celebration, if, in sex, we desire the freedom to be spontaneous, to be emotionally open and uninhibited, to assert our right to pleasure and to flaunt our pleasure in our own being, then the person we most desire is the person with whom we feel freest to be who we are, the person with whom we (consciously or subconsciously) regard as our appropriate psychological mirror, the person who reflects our deepest view of our self and of life. *That is the person who will allow us to experience optimally the things we wish to experience in the realm of sex.*

BETWEEN MAN AND WOMAN

When a man and a woman encounter each other in passionate love, the factor of sex enlarges and deepens the area of desired contact between them. The longed-for "knowing" of each other is all-embracing.

We wish to explore our lover with our senses—through touch, taste, and smell. We explore and share feelings and emotions at greater length and to greater depth, and with greater regularity, than we almost ever do in any other kind of relationship. The fantasies of our partner can become the subject of our own deep, intensely personal interest. Our partner's most diverse traits, characteristics, and activities can acquire a powerful spiritual-intellectual-emotional-sexual charge.

Pleasure gives us a direct experience of our own competence to deal with reality, to be successful, to achieve values.

The popularity of male and female generates its own dynamic tension, generates a curiosity and fascination that can be at once totally absorbed in the object and at the same time personally, intimately selfish. This is the great complement of love: that our self-interest expands to encompass our partner.

We are each of us more than simply a human being; we are a human being of a specific gender. If it is an error to overestimate the significance of this fact, it is scarcely less an error to underestimate its significance or to deny its overpowering impact on our lives.

Contained in every human being's self-concept is the awareness of being male or female. Our sexual identity is normally an integral and intimate part of our experience of personal identity. We do not experience ourselves merely as human beings, but always as a male or a female. And when a person lacks a clear sense of sexual identity, we recognize that condition as representing some failure of normal maturation.

While our sexual identity, our masculinity or femininity, is rooted in the facts of our biological nature, it does not consist of our being physically male or female; it consists of the way we psychologically *experience* our maleness or femaleness.

For example, if a man is characteristically honest in his dealings with people, this trait pertains to his psychology as a human being; it is not a sexual characteristic. If, on the other hand, he feels confident sexually, relative to women, this trait pertains to his psychology specifically as a man. If, conversely, he feels emotionally overwhelmed and inadequate at any personal encounter with a woman, we would recognize the existence of a problem in his masculinity. If a woman were to experience the penis as threatening and terrifying, we would recognize a failure of her evolution to adult femininity.

SEXUAL AWARENESS

Our psychosexual identity, our sexual personality, is the product and reflection of the manner in which we learn to respond to our nature as a sexual being, just as our personal identity, in the wider sense, is a product and reflection of the manner in which we respond to our nature as a human being.

As sexual beings, there are certain questions that we necessarily confront, even if we rarely think about them consciously. To what extent am I aware of myself as a sexual entity? What is my view of sex and of its significance in human life? How do I feel about my own body? (This last does not mean: How do I appraise my body aesthetically? But rather: Is my body experienced as a value, as a source of pleasure?) How do I view the opposite sex? How do I feel about the body of the opposite sex? How do I feel about the sexual encounter of male and fe-

male? What is the level of my ability to act and respond freely in this encounter? It is our implicit answers to such questions that underlie our sexual psychology.

It need hardly be said that our attitude toward these issues is not formed in a psychological vacuum. On the contrary: in sex, perhaps more than in any other realm, the total of our personality tends to find expression. More than one study has suggested that, other things being equal, the higher the level of our general self-esteem, the more likely it is that we will respond healthily and affirmatively to the fact of our own sexuality and to the phenomenon of sex in general.

Since our sexuality is an inherent part of our humanness, a mature, well-evolved individual experiences his or her sexuality as integrated into his or her total being—and experiences the sex act as a natural expression of that being. To be integrated with our sexuality is indispensable for fulfillment in romantic love.

A healthy masculinity or femininity is the consequence or expression of an affirmative response to our sexual nature. This entails a strong, enthusiastic awareness of our own sexuality; a positive (fearless and guiltless) response to the phenomenon of sex; a disposition to experience sex as an *expression* of the self, rather than as something alien, darkly incomprehensible, sinful, or "dirty"; a positive and self-valuing response to one's own body; an enthusiastic appreciation of the body of the opposite sex; a capacity for freedom, spontaneity, and delight in the sexual encounter.

Many years ago, while running a therapy group, I listened to a number of clients talk about the varied notions of masculinity and femininity upheld at different times and in different cultures. One of the clients asked me what personal meaning I found in the concepts of masculinity and femininity. I answered, more or less spontaneously, that masculinity was the expression of a man's belief that the creation of woman was nature's most brilliant idea, and that femininity was the expression of a woman's belief that creation of man was nature's most brilliant idea! Doubtless that formulation lacked something in scientific elegance; nonetheless, I am not at all confident that I can do better now. (Of course, each one of us carries within our psyche a variety of connotations and associations attached to the terms "masculine" and "feminine." These personal meanings reflect events in our individual life history, male and female models who may have inspired us, different viewpoints prevalent in our culture, whatever thinking we ourselves may have done on the subject and, last but far from least, biological forces deep within us that speak to us in a wordless language we have barely begun to decipher.)

In any case, what is easy enough to see is the enormous pleasure that a man can know in the experience of himself as male, as the inhabitant of a male body, and the enormous pleasure a woman can know in the experience of herself as female, as the inhabitant of a female body—and the unutterable joy of encountering the body and the person of the other, the encounter of man with woman, of woman with man, and the discovery, through passion and intimacy, that "the other" is, in fact, *the other side of oneself.*

The optimal experience of visibility and self-objectification requires interaction with a member of the opposite sex.

SEXUAL VISIBILITY

Just as our sexual personality is essential to our sense of who we are, so it is essential to that which we wish to objectify and to see reflected or made visible in human relationships. The experience of *full visibility* and *full self-objectification* entails being perceived, and perceiving ourself not merely as a certain kind of human being, but as a certain kind of man or woman.

In point of fact, we want both: to be perceived as a certain kind of human being *and* a certain kind of man or woman.

A man may wish to have his strength perceived by the woman in his life; he may also wish her to perceive his sensitivity, his vulnerability, his need from time to time *not* to be fully "responsible" and "in control," and also to have it understood that there is no conflict or contradiction among these various facets of who he is. A woman may wish to have her sensitivity and intuitiveness appreciated; she may also wish her man to appreciate her strength and aggressiveness, and to have him understand that no conflict or contradiction is involved.

The optimal experience of visibility and self-objectification requires interaction with a member of the opposite sex. We all carry male and female aspects within us; but in man, the male principle ordinarily predominates; in woman, the female principle predominates. In relating to the opposite sex, we are permitted to experience the full range of who we are. *The polarity between man and woman generates and accentuates this awareness.*

Of course, there are aspects of this ability which are best achieved with members of one's own sex. A man knows what it feels like to be a man in a way no woman can know; a woman knows what it feels like to be a woman in a way no man can know. But a *wider range of possibilities* can be explored between members of the opposite sex. Such a relationship represents a vaster keyboard on which *more notes can be hit* and a richer music can be created.

A member of the opposite sex, with whom we enjoy a strong mutuality of mind and values, many fundamental affinities, as well as complementary differences, is capable of perceiving and personally responding to us both as a human being and as a sexual being. The unique, gender-induced perspective of man and woman, in confronting the opposite sex, represents, at least potentially, the fullest possible range of "knowing" the other.

I shall not attempt to deal here with the difficult and complex question of homosexuality and bisexuality. Obviously the entire context of this discussion of romantic love is heterosexual; we deal with the model of man/woman relationships, even though much of what is said clearly applies to homosexual love relationships. If one regards homosexuality or bisexuality as representing fully as mature a level of development as heterosexuality, some of the preceding observations will be unacceptable. If, on the other hand, one takes the view, as I do, not that homosexuality or bisexuality are "immoral" or "wrong" or should be illegal, but that they generally do reflect a detour or blockage on the pathway to full maturity as an adult human being, then my reasoning will

(*Continued on p. 40.*)

Even the Government Won't Take It

By Eric A. Westling

THE US DOLLAR must be in bad shape. Even the US government will refuse to accept it.

The other day I went out to exercise my most important right of citizenship. No, I didn't go to vote; I went to get my passport.

At the post office, the sharp-eyed woman who handles this matter quickly spotted my deficiency in filling in all the little boxes on the application. "When are you departing?" she asked. Being a commercial pilot, I am in fact always departing for somewhere, several times a day. It took a few moments of frustration on both sides to figure out what the other was saying. In this case the proper question would have been, "When do you need the passport to leave the country?" I found out the passport office wasn't just being the usual nosey bureaucracy but was apparently only interested to know whether you needed a rush job on your application. Well, I didn't, so she put down N/A in the little box, and everything was right with the world—that is, until we came to paying for it.

The fee is $14, so I hauled out my cash to pay. "We don't accept cash," says the clerk. "If you don't have a check, you will have to go next door to the post office window and get a money order."

"But, but, but...," I sputtered. "The legal tender law says you have to accept your own government money in payment of any debts. See, it says so right here on the money ('This note is legal tender for all debts, public and private')."

"No, no, no," insists the passport clerk just as forcefully. "We don't do things that way here."

It seems the local passport office has a little problem. They have to mail the application and the fees to a bigger passport office. That means one government agency (the passport office) has to use another government agency (the post office) to handle their money, and of course, that isn't safe, right? *Well, if you say so,* thought I.

"That's *your* problem," I said. "Here is my $14 cash. I expect you to obey the law and accept it."

"Look, I just work here," she said. And we went through the money order business again. *Oh, boy,* I groaned. *Not that excuse again.*

"It's not my responsibility," emphasized the clerk. "This is the way I am told to do it."

"It *is* your responsibility to obey the law," I retorted. "Especially since the Nuremberg Trials, the 'I just work here' or 'I was told to do such and such' excuse is no excuse."

Would you believe we have a federal employee perfectly willing—in fact, insisting—on violating federal law, just because someone told her to? I guess that's a silly question; perhaps you expect it.

Well, I finally had to go pay the government next door $14.80 for a $14 money order to pay the government $14 for my passport. Does that sound a little like Catch 22? By the way, if the passport agency uses my money order the next day, that's a whopping 2,085 percent annual interest the government is getting.

"Now," I said to the passport clerk when our business was transacted, "you owe me 80 cents." (I was thinking of adding a service fee for managing an intergovernmental monetary transaction for them, but I decided to keep things simple.)

Well, to the woman's credit she did call someone on the phone to find out how to handle this latest development. (I guess she realized the "I just work here" excuse wasn't going very far.) That put me in touch next with the postmaster, who, it seems, is the man in charge of trying to keep track of what the left hand is doing while the right hand is dealing off the b----- (no, I won't say it). I explained how the clerk wouldn't take my money and that I objected to that and also to the 80 cents extra the government was getting.

Naturally, I got the same thing from him—the same excuse, plus, "That's the way we have always done it," as if to say that breaking the law often enough makes it okay to do it again. My pointing out that little flaw in his logic seemed to make him mad. (As a matter of fact, I wouldn't mind the government using that excuse so much if it were only valid for me to use it also. I can just see it now, "...Your Honor, I always drive over the speed limit, so this speeding ticket is null and void.")

"Look," he says, "the regs say we can't accept cash."

"Oh, really?" says I. "Now *that's* a reg I'd like to see."

"OK!" he says, surging out of his office to get it.

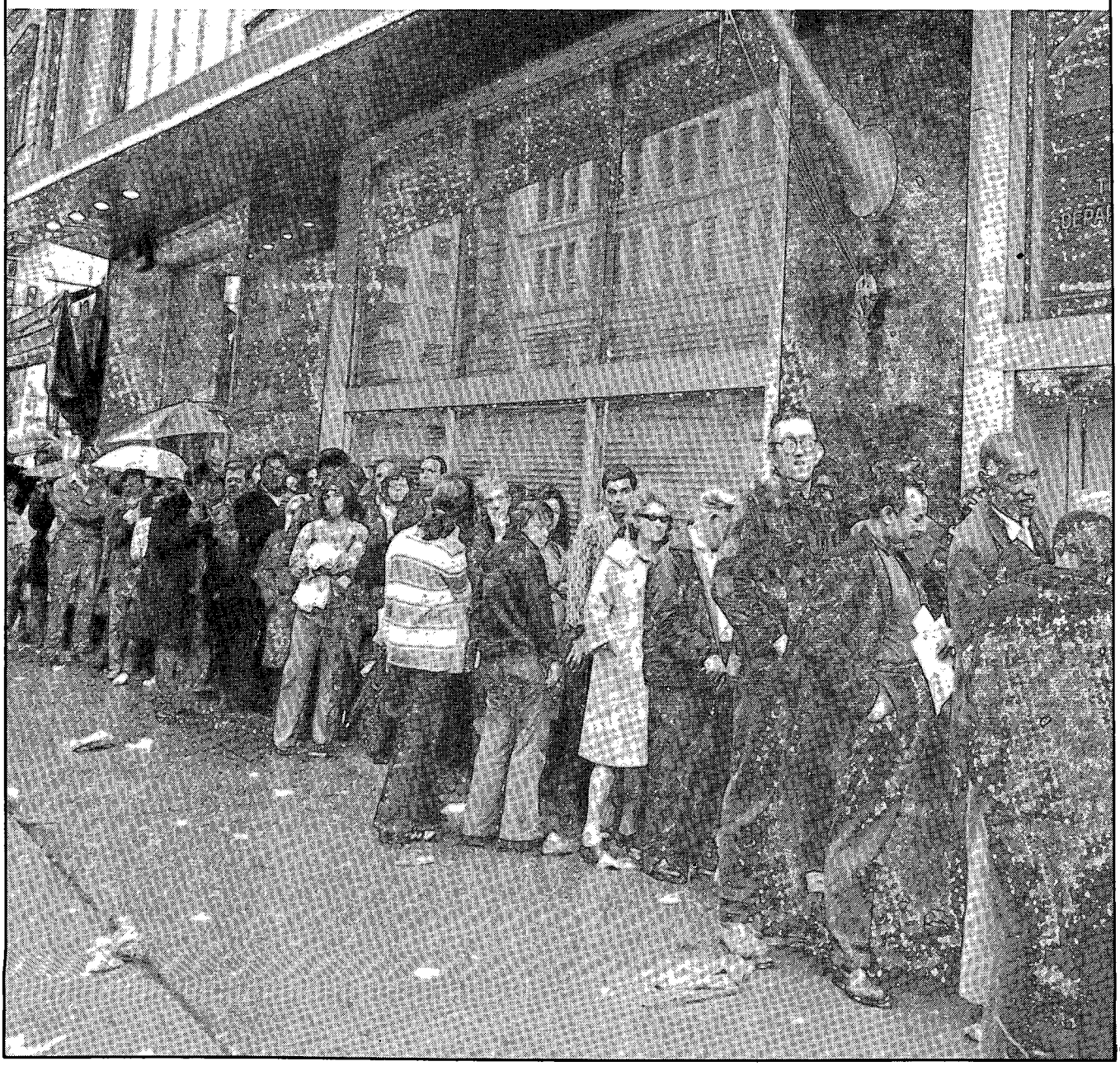
Several minutes later he entered the office announcing, "That's just the way we do things, and I am not going into it anymore with you." Apparently, he could not find any such regula-

(*Continued on p. 36.*)

How to Perpetuate Poverty

By Bruce Bartlett

If you want to keep poor people in their place, just do what the welfare system does.



UPI

Suppose someone wanted to design a government program that would perpetuate poverty in the United States while ostensibly spending billions of dollars for its elimination. How would they go about doing it?

First off, they would want to make sure that no one understood what they were up to. A good way would be to proclaim that the true goal of the program was to eliminate poverty rather than perpetuate it. Not only would this confuse the issue, but it would ensure that anyone who criticized the program would be accused of being against the poor!

As to implementing the real objective, a good move would be to create strong disincentives and barriers to prevent poor people from being able to work and improve themselves. This could be done by imposing high tax rates on the incomes of poor people, establishing high minimum-wage requirements, encouraging the growth of labor unions, and passing numerous licensing laws and other regulations to make it more difficult to gain employment or start a business.

It would also help if the system encouraged cheating, led to the breakup of families, and required a huge bureaucracy to administer it (so that lots of nonpoor people would have a vested interest in the system). And, as a final fillip, poverty should be so defined that the official statistics would always show the situation getting worse, no matter how much money was spent to alleviate it.

If all this were done, you would have a sure-fire means of perpetuating poverty. You would also have constructed a duplicate of the welfare system in the United States.

TO WORK OR NOT TO WORK

Let's start with incentives. Presumably, a welfare system that actually had as its goal the elimination of poverty would be constructed so as to help and encourage people to get jobs and improve themselves. The US welfare system, however, does the opposite. It uses a so-called means test for welfare benefits, which takes away those benefits if someone on welfare earns any income. The effect is exactly the same as if very high tax rates were imposed on welfare recipients.

Not surprisingly welfare recipients react to this set-up the same way high-income people react to high tax rates: they avoid earning "taxable" income. Toward this end they can either avoid work, work only for returns that are not included in the definition of income for welfare or tax purposes, or cheat. And people on welfare are just as innovative as people with high incomes when it comes to "fiddling" the system, as the British say.

To see how the means test translates into high marginal tax rates (the tax on each additional dollar earned), suppose that a family of four living in Los Angeles in 1979 attempted to earn some money on top of welfare in order to better itself and ultimately get off welfare altogether. If this family were receiving all the benefits to which it was entitled by law, its welfare income would amount to about $718.33 per month. But each dollar earned on top of this would reduce part of these benefits. So if the family earned $100 per month on top of welfare, its disposable monthly income would not increase by $100. Because taxes must be paid on that $100 and because some welfare benefits are reduced, this family's spendable monthly income would only rise to $759.43—an increase of $41.10. This translates into an effective marginal tax rate of 58.9 percent on that $100 of gross income.

To prevent welfare recipients from cheating requires a Gestapo-like reporting system employing thousands of caseworkers.

This would be bad enough, but the system gets worse. Suppose this same family reached a point where it was making $400 per month in gross income on top of welfare. Its spendable monthly income would only increase to $815.80 per month—a mere $97.47 more than it would have under welfare alone. This translates into better than a 75 percent average tax rate on the family's earned income. And the marginal tax rate is even higher.

If this family were to add another $300 per month, bringing its gross earned income up to $700, its spendable income would actually drop! From the $815.80 the family had to spend while earning $400 in addition to welfare, its spendable income would drop to $794.58 if it earned $700 in addition to welfare. In other words, the actual taxes that must be paid, combined with a reduction in welfare benefits, has imposed an effective marginal tax rate in excess of 100 percent on this poor family.

MAXIMIZING INCOME

An examination of the figures for this Los Angeles family (see box) shows how the welfare system conspires to impose confiscatory tax rates on the poorest members of society, thus robbing them of any incentive to improve themselves and ultimately get off welfare. These effects are not exceptional. Similarly high tax rates exist throughout the spectrum of welfare benefits wherever there is a means test. For example, it is estimated that effective marginal tax rates for people on Social Security resulting from the earnings limitation may go as high as 79.1 percent (see the *Congressional Record,* June 27, 1979, p. S 8608).

Although the amount of benefits lost for each dollar of income varies from program to program, the effective tax rates add up because so many people qualify for more than one program. This is why the effective tax rate on earned income can easily exceed 100 percent for a family on welfare. Is it any wonder, therefore, that so few welfare families make the effort to earn money to supplement welfare? They may not be lazy, as so many conservatives are fond of alleging; it is much more likely that they are simply responding to the economic disincentives.

Of course, welfare families can and do find ways to increase their spendable incomes within the constraints of the system, just as rich people use tax shelters. One easy way for the family to improve itself is for the father to "abandon" his family by leaving home. This action will immediately increase the family's spendable income.

Consider a family of four living in Michigan whose father is employed at the minimum wage. His net earnings of $4,504 per year are supplemented by the Earned Income Tax Credit and food stamps for a total disposable income of $5,678. If the father leaves his family, however, the diminished family will be entitled to a basic AFDC (Aid for Families with Dependent Children) grant of $4,896. This will be supplemented by food stamps and Medicaid benefits, for a total income of $7,161—a gain of $1,483. But if the father con-

tinues to work—away from the family and the eyes of the welfare workers—the total increase in income to the group goes up to $5,987. In this manner the welfare system encourages family dissolution.

To prevent welfare recipients from cheating like this requires a Gestapo-like reporting system in which thousands of caseworkers must constantly check up on welfare recipients to ensure that they are not fiddling the system or earning unreported income. More than 100,000 caseworkers are employed by the federal government just to determine what is income for welfare recipients and what is not.

LOWER THE TAX RATES?

A solution to the problem of high tax rates on welfare recipients would be to take away less of each dollar that is earned. Unfortunately, this would mean extending benefits upward to families with relatively high incomes. It is estimated that if each family of four were to receive a basic income of $6,000 and lose only an average of 25 percent of each dollar earned above this level, then the "break-even" point would be an annual income of $24,000. Under such a system there would certainly be an increase in the incentive for welfare recipients to earn income, but more than two-thirds of all American families would qualify for some sort of cash payment.

Former secretary of HEW Joseph Califano commented on this dilemma during testimony regarding President Carter's welfare reform plan:

The system of "benefit reduction rates" is designed to address a fundamental problem: if cash benefits are reduced at too steep a rate as earnings increase there will be no incentive for work.

For example, if the cash benefit is reduced by $1 for every $1 earned, there is obviously no work incentive whatsoever.

If the cash grant is reduced 90 cents for every $1 earned, there may be no incentive, because travel costs and other expenses of going to work will mean there is still little or no real improvement in the individual's financial condition as the result of employment.

But, there is also a problem at the other extreme. If the cash benefit is reduced only 25 cents for every $1 earned, there is a good incentive to work, but families will continue to receive cash assistance at income levels that seem too high to many taxpayers.

The upshot is that there are only two ways to encourage welfare recipients to work: either cut benefits, or increase them to include those with higher incomes. There is not much middle ground that can be carved out of this, and obviously there are great political obstacles to either approach.

DISCOURAGING WORK

One alternative that has received the most attention in recent years is the guaranteed minimum wage, or negative income tax, approach. The idea is simply to place under everyone an income floor that would ensure a minimum standard of living and nothing more.

The problem, unfortunately, is that unskilled workers seem to prefer staying on welfare even if the marginal tax barriers do not exist. This showed up in the so-called Seattle-Denver income-maintenance experiment, as reported by its director, Robert Spiegelman, in testimony before Senator Moynihan's welfare subcommittee.

According to Spiegelman, the experiment showed the following results:

- People worked less in general. A minimum-income program guaranteeing all needy families support at 100 percent of the poverty line ($6,200 for a family of four), and reducing the welfare benefit by 50 cents for each dollar earned if the recipient worked, would result in husbands in welfare families working 6.2 percent fewer hours, wives 22.7 percent fewer, and female heads of families 12 percent fewer. And such a program on a national scale would cost some $40 billion more than the present system.
- Minorities tended to work even less. On a long-range basis, white husbands worked 96 hours less per year than if they weren't given a guaranteed income, black husbands worked 230 hours less, and Hispanic husbands 204 hours less.

There are several possible explanations for these results—that workers face opportunities so dismal that they prefer staying on welfare, for example, or that such other factors as minimum wage laws keep potential employers from offering work to the unskilled. But whatever the explanation, the experiment does not show a minimum-income program alone achieving the desired results. In addition, the system encouraged family breakups. White families suffered breakups 18 to 63 percent more frequently than a control group, black families 15 to 73 percent more, and Hispanics had a 37 percent greater incidence of family breakups.

It would seem, therefore, that the guaranteed income is not a satisfactory alternative to the present system.

WHAT NEXT?

An innovative solution to the present welfare mess has been proposed by Cong. David Stockman of Michigan. He recommends that means-tested welfare be abolished altogether, to be

WELFARE DISINCENTIVES

Monthly Gross Wages*	Net Income (Welfare and After-tax Wages)	Increase in Spendable Income	De Facto Marginal Tax Rate
0	$718.33	—	—
$ 100	759.43	$41.10	58.9%
200	780.53	21.10	78.9
300	810.57	30.04	70.0
400	815.80	5.23	94.5
500	794.58	- 21.22	121.2
600	794.58	0	100.0
700	794.58	0	100.0
800	809.92	15.34	84.7
900	832.49	22.57	77.4
1000	858.58	26.09	73.9

*Including employment taxes paid by employer.

Note: Applies to a family of four in Los Angeles, one member of which is unemployed or disabled.
Source: Arthur B. Laffer and Christopher Petruzzi of the University of Southern California and the H. C. Wainwright Company.

replaced by a universal system of child payments, on the theory that child support is the fundamental basis for the welfare system. This would be combined with a modified negative income tax and an end to the minimum wage. Such a program would encourage employers to hire workers at low wages while ensuring an adequate income for the worker. Presumably, as the worker's skills increased his income would improve, and the income support could be safely phased out without penalizing the worker.

A more radical solution still would be to abolish cash welfare payments altogether and supply only in-kind benefits. In other words, give the poor the actual food, clothing, and shelter, but no money. Interestingly, this was proposed recently by former New York State social services commissioner Philip Toia.

Toia would have the present New York State welfare replaced with a "soup-line" and all other welfare programs turned over to voluntary agencies whose functions have been usurped over the years by government. "State and local governments simply can no longer afford to pay for the range of services we've been providing for the past decade," Toia said. "It's time we gave a majority of the provisions of those services back to the nonprofit agencies created to serve the clientele on our welfare rolls."

Of course, Toia is only talking about state-administered welfare programs, not federal. But the idea is to voluntarize the welfare system as much as possible by giving back to private welfare agencies the functions they served in the past and providing only what is needed for actual survival.

Perhaps the tax revolt will force people to go as far as Toia to reform the welfare system. *Some* kind of reform is clearly in order. According to the Commerce Department, US governments spent $209 billion on welfare in 1977. With a broader definition of welfare spending, William Lawrence of the Institute for Socioeconomic Studies put the actual figure at closer to $250 billion.

But even the $209 billion would provide an income of $6,200 per year (defined as the poverty level by the Census bureau) for 33 million families, or more than 130 million people! Yet the Census Bureau reported that 24.7 million people remained below the poverty level in 1977. Obviously, something is wrong here.

Waste, fraud, and incompetence are the usual explanations for the failure of the welfare system to eliminate poverty. A more interesting explanation is that the Census Bureau, which officially measures the number of people living in poverty, defines poverty in such a way that it can never be eliminated. It does so by measuring poverty only on the basis of money income, excluding all in-kind benefits such as food stamps, medicare, and housing subsidies. Yet the income that is excluded is certainly very real. The Congressional Budget Office recently attempted to make the Census figures more realistic by including in-kind benefits. The conclusion? The Census Bureau had overestimated the number of people living in poverty by more than 50 percent.

Perhaps the tax revolt will force people to radically reform the welfare system.

Of course, 12 million people living in poverty is still a lot of people, but the magnitude of the problem—and therefore its solution—is greatly altered by the revised data. Spending more money is obviously not the solution to poverty, and the current political climate fostered by Proposition 13 probably makes it impossible anyway. The ultimate solution to poverty and the failure of the welfare system is to find ways to help people help themselves.

TRY AN ECONOMIC BOOM

What if we abolished government welfare altogether—along with barriers to employment such as minimum-wage laws? The effect of such a move would not be nearly as disastrous to the poor as most people would believe, because a substantial number of people on welfare are already employed in the so-called subterranean economy. According to economist Peter M. Gutmann, more than $200 billion per year is generated by the subterranean economy, unreported by economic statistics. Taking this into consideration would substantially reduce the official unemployment rate.

Elimination of the minimum wage and tax and regulatory barriers to employment, plus a general reduction in all taxation made possible by eliminating welfare expenditures from the budget, would probably result in such an economic boom that our principal problem would be a shortage of workers, not unemployment. Those who are truly indigent could be easily taken care of by private relief agencies.

Barring an elimination of all government welfare, it would be preferable to at least get rid of federal welfare programs (along with the federal minimum-wage law and federal taxes and regulations that discourage employment) and allow state and local governments to handle the problem. The closer government is to the people, the more likely it is that its policies will be geared to the specific problem. At the local level, moreover, it would be preferable to adopt something along the lines of an in-kind welfare program, such as the one suggested by Philip Toia (which unfortunately has not been taken up by the political powers that be). If this were done, the cost of welfare would drop to almost nothing.

The failure of the present welfare system in the United States is now so obvious that some major overhaul of it is essential. It is possible to improve the lot of the poor while reducing the cost of helping them. But that, of course, takes a desire to eliminate poverty, not to perpetuate it. ◻

Bruce Bartlett is a Washington-based writer and political consultant, currently a congressional staff member.

Westling

(*Continued from p. 31.*)

tion; and further, I take it from his brisk termination of the discussion, he may very well have found a regulation to the *contrary.*

"OK," said I as I left, "I'll quote you on that."

"You do that," said he.

And so, you see, I have. The passport office (or is it the post office?) still owes me 80 cents, and they owe the public an explanation of their cavalier disregard of a citizen's right to pay with cash.

Would you do business with people like that if you had another choice? ◻

Eric Westling is a businessman/pilot who flies commuters around the San Francisco Bay area. His background is in engineering, business, politics, and economics, with a unifying interest in philosophy.

BY DOUG BANDOW

Barring Competition

The California Bar Association would like to see fewer lawyers — and that's supposed to help consumers?

IN THE PAST FEW YEARS, a number of forces have been chipping away at barriers to competition in the professions—and among lawyers, in particular. Not surprisingly, though, the increased competition has come in spite of, and not because of, the efforts of the organized bar.

While the bar is often regarded as the public's protector from incompetent and unethical attorneys, its rearguard actions in the face of moves to open up the legal profession demonstrate its obsession with maintaining the profession's exclusivity. It relies on several tools to achieve this: attendance at and graduation from an accredited law school, passage of the bar examination, and determination by the state bars of a prospective attorney's "good moral character."

LEGAL LEARNING

The accreditation of law schools is the first level of regulation by the organized bar and the state. In 34 states, admittance to the bar is limited to those who attend and graduate from schools accredited by the American Bar Association (ABA); in 14 others, one may attend a school accredited by the ABA *or* the state. In only two states, California and Georgia, is admission to practice open to graduates of unaccredited law schools as well.

The California State Bar would like to change that. Demonstrating the reluctance of the bar to accept greater freedom and diversity within the legal profession, the board of governors of the California State Bar recently passed a proposal that calls for phasing out California's 29 unaccredited law schools within five years and urges state legislation or a state Supreme Court rules change to require attendance at and graduation from an accredited law school as a prerequisite for admission to the California bar.

Unaccredited law schools provide an important source of legal education in California. They accounted for 11 percent of the 1978-79 student enrollment—2,400 out of 22,200. Of the 7,393 applicants taking the fall 1977 bar exam, 467 (6 percent) were unaccredited law school graduates; of the 4,222 spring 1978 examinees, 651 (15 percent) were such graduates.

In fact, California has three other, unique, procedures that would also be terminated by the bar proposal: study in a judge's chambers, in a law office, or by correspondence. In contrast to the unaccredited schools, few examinees—65 in the fall 1977 exam and 55 in the spring 1978 exam—use these procedures. So their proposed demise has caused little controversy.

The proposal met with significant opposition from unaccredited law schools at hearings held by the State Bar Special Committee re Law School Evaluation. Nevertheless, the committee recommended closure of the schools, and the board of governors approved the proposal. To justify its decision, the bar published a "Report and Recommendations on Legal Education in California," in which it claimed that the unaccredited schools are "detrimental to the public" and "detrimental to the interests of students, the legal profession, and the admission process." More specifically, the bar had three major criticisms.

By allowing study at unaccredited law schools, said the report, the legal profession implies that this method of education is "sound" and "appropriate." But even if such education is not "sound" and "appropriate," this objection is without substance: the *lack of accreditation* shows that the bar considers this mode of education unsound. Moreover, students at unaccredited law schools must take the First Year Law Students Exam, or "Baby Bar," at the end of their first year precisely because the bar looks askance at such schools.

The second charge? That the schools provide an "inadequate educational program." But even if this is a proper concern of the bar, instead of the students themselves, the bar's evaluation is quite circular. For example, a law program may be judged inadequate if the teachers "are not themselves graduates of accredited schools, and are not members of the bar."

LEGAL STRAITJACKET

Finally, the bar waxed paternalistic, charging that "many of these schools exploit applicants and students in various ways." For example, they are admitted even though "ineligible"—that is, they do not have two years of college work and have not demonstrated "equivalent intellectual ability" on a test given by the state bar.

Exploitation also supposedly occurs when "unqualified persons" are retained and graduated. How do we know they're "unqualified"? Because less than 10 percent of entering students at unaccredited law schools go on to pass the bar exam (doesn't this in fact show something about the bar exam?).

Students are also considered exploited because the unaccredited schools treat them as "inventory," "abandoning the students" when they cannot continue operating. According to the bar:

There is nothing per se evil in the profit motive or in the proprietary

law school... but when the profit motive so pervades and the law school is operated only so long as operations, at a minimal level of quality, provide a profit, the students are exploited and the bar contributes to that exploitation by continuing to recognize that mode of instruction as an appropriate preparation for admission to the bar.

Even if this complaint were valid, the bar's solution is incongruous: closing all schools since some *might* close.

The bar also charged that some of the schools make misrepresentations to students, leading them to continue their studies when they would gain no credit for doing so. But what's wrong with traditional fraud remedies, or even a full-disclosure requirement, rather than closure, as a remedy?

Given the dubious nature of both the supposed crisis and the proposed solution, it seems obvious that the primary interest of the bar is the exclusion of potential attorneys. The fewer the attorneys, the more exclusive the profession and the higher the fees. Though unaccredited schools supplied only 779 (four percent) of the 19,017 new attorneys between 1973 and 1978, according to Dean Charles Meyers of Stanford Law School, these schools provided "an avenue to the profession for a number of students who would otherwise be excluded."

Though ineffectual in guaranteeing quality, the bar exam is quite effective in limiting entry to the profession.

Of course, the bar took great pains in its report to disclaim any fear of an "overcrowded bar." Yet a resolution to close down the unaccredited schools, introduced by a local bar association for consideration at the state convention, *began* with the sentence: "During the last several years the number of persons admitted to practice law in the state of California has more than doubled."

Not only should regulation of law schools not be tightened; it should be ended altogether. Meyers, who argues that "the contention that regulation is a guaranty of quality is... more an act of faith than an established fact," has proposed deregulating the schools and maintaining the bar exam. He notes that "regulation feeds on itself, and if the trend is not soon reversed, law schools in 20 years will find themselves laced in a straitjacket of conformity by a central accrediting authority with broad powers and limited vision."

POPULATION CONTROL

The second level of regulation by state bars involves the bar exam, which is of dubious value. It tests subjects that many attorneys will never look at again, a substantive knowledge of the law garnered from two months of cramming, and an analytical ability that is largely irrelevant to many of the legal transactions that take place in actual practice.

Robert H. O'Brien, chairman of the California Committee of Bar Examiners, has admitted that the test does not tell the bar examiners or the public that the successful applicant will be—or will continue to be—a competent lawyer. As Milton Friedman once observed, "a man's ability to pass an examination twenty or thirty years earlier is hardly assurance of quality now." Even the attempt of the California bar to close the unaccredited schools illustrates a lack of faith in the bar exam.

Though ineffectual in guaranteeing quality, the bar exam is quite effective in limiting entry to the profession. For example, in California 46 percent of the people taking the fall 1977 exam flunked; 62 percent flunked the spring 1978 exam. The bar exam also limits entry by *discouraging* people from even attempting to become lawyers. Their number is unknown, and unknowable.

It is not surprising that the bar exam serves to limit entry to the profession. Richard J. Favretto of the Justice Department's Antitrust Division has observed that

In most states, lawyers write, administer and grade bar examinations. [One should be] suspicious of any system in which those in the market determine who can enter; the natural incentive is to make things a bit tougher as increasing supply threatens to bring down fees.

More evidence of this function of the bar exam is the fact that licensed attorneys from other states must still take the same or nearly the same exam as recent graduates. Since those established attorneys have already theoretically demonstrated their competence by passing a bar exam, the *only* purpose of testing them is to limit entry.

The exclusionary effect is felt most sharply by middle- and lower-income consumers. The potential attorneys who are not allowed to practice would not be the six-figure-salary partners of major urban law firms—they *do* need the prestigious schooling, and perhaps more analytical skills and innate ability for such jobs.

What the potential attorneys would be handling is "small-time" cases—small debts, rent deposits, and so on. These are cases that require, not the finest skills, but an adequate knowledge of the law, a rudimentary understanding of the legal process, and a fee small enough to justify bringing the case. The people who would take those cases have been priced out of the market by the exclusionary practices of the bar.

And there is little doubt that cases have been priced out of the market. Testimony given at a 1973 Senate subcommittee hearing on legal fees provided substantial evidence that higher fees deter people from consulting lawyers. One witness who purchased a "lemon" car testified that she never sought the advice of an attorney because she figured she couldn't "afford that."

If the State is determined to regulate the legal profession, the bar exam should at most be offered as an option. Then those attorneys who want to maximize their legal credentials could do so, and those consumers who desire official certification of an attorney's skills could seek out attorneys who had passed the bar. But others would be free to accept a lesser certainty of skill for a lower price.

WHO GETS PROTECTED?

The bar's method of regulating ethical quality is to limit the admission to practice law to those of "good moral character" and to discipline or disbar established attorneys who commit acts of "moral turpitude." It is extremely doubtful that these actions actually benefit the public.

One may be denied admission for any number of acts—such as concealing adverse information from the bar—that are totally irrelevant indicators of the moral character of an attorney insofar as the client is concerned. Other examples include refusing to swear to uphold the Constitution or being a member of the Communist Party. In

some states, such as Maryland, divorce is considered evidence of immoral character. Attorneys have been disbarred for conspiring to engage in illegal gambling, willful tax evasion, violating the prohibition laws, anticonscription activities, and murder. Such activities do not mean that one is more likely to cheat or defraud clients; rather, the profession's image, and not the client's interest, is at stake. As the ABA Code of Professional Responsibility proclaims: "Because of his position in society, even minor violations of the law by a lawyer may tend to lessen public confidence in the legal profession."

Some state bars have blatantly misused their power to keep "morally disreputable" people from practicing the profession. Leftists and communists have frequently run afoul of the organized bar, and last spring, the Virginia State Bar attempted—unsuccessfully—to prevent an unmarried woman from taking the bar exam because she was living with a man.

The state bars have also used this power to stifle any competitive activities that might threaten established attorneys. Since the early 1900s state bars have prohibited advertising, claiming that it is not consonant with "maintaining the highest standards of ethical conduct" called for by the ABA Code of Professional Responsibility. These rules are unambiguously anticompetitive; they increase the consumer's cost of discovering low-cost competitors and make it easier for lawyers to avoid competing in terms of prices, thus keeping prices higher.

RELUCTANT FREEDOM

In 1977 the US Supreme Court struck down the absolute ban on advertising as a violation of the First Amendment guarantee of freedom of speech. Yet many state bars have only grudgingly implemented the decision. For example, Wisconsin bar leaders unsuccessfully attempted to outlaw "flamboyant and self-laudatory advertising." The Florida bar revised its rules but still prohibited advertisement in any medium other than general-circulation newspapers or the yellow pages. The Justice Department challenged the ban on radio and TV advertising, which "may be the most effective and efficient means of communicating information," as well as other limitations on geography and content.

Many state bars, such as California's, keep their grip on the profession by retaining rules against other forms of advertising, such as listing other professions along with that of attorney on business cards. The Justice Department's Favretto has noted that prohibiting attorneys from advertising their second profession "can result in higher costs for consumers who might be able to obtain the services of one person cheaper than they could those of two separate professionals. Perhaps as important is the freedom and flexibility such rules discourage."

Traditionally, solicitation—attempting to get legal business by offering one's services to someone who has not consulted you—has been strictly prohibited, even when the client is under no stress and is not likely to be overreached or misled. The solicitation ban has come under increasing attack, however, with the Supreme Court voiding the restriction in political litigation but validating it as applied to blatant "ambulance chasing." Both cases cast doubt upon the constitutionality of a blanket prohibition.

The linchpin holding this entire system of regulation together is the ability of the bar to prosecute nonlawyers for the "unauthorized practice of law." Even accountants, trust officers, labor relations consultants, and paralegals, who may be better able to perform some services, are subject to prosecution. The focus of this measure is not protection of the consumer; incompetence is not an element of the charge of unauthorized practice of law. As the Wisconsin Supreme Court declared in 1962: "We need not and we should not acknowledge a layman's right to practice law in a specialized field because the layman appears to be competent in it." In fact, as Favretto argues, the prosecution of nonlawyers "is often no more than a device to protect the lawyers' monopoly against competitors who are equally competent."

A LEGAL OPENING

If all restrictions on entry into the legal profession were eliminated, the pernicious power of the organized bar would be eliminated and attorneys would be freed from unnecessary and irrational regulations. A freely competitive market—termed "a benign form of regulation" by Favretto—would give more people the opportunity to practice law, lowering fees and extending access to legal services to more people.

How could an unregulated market provide "a benign form of regulation"? It would be far more likely than the present system to provide for the *effective protection* of consumers. Because established attorneys are protected by a monopoly backed by the power of the State, the current system insulates rather than eradicates incompetence and unethical conduct. This monopoly effectively preempts consumer regulation of attorneys. It lulls consumers into complacency, virtually destroying the consumer's incentive to carefully check the credentials and reputations of attorneys. It also limits the alternatives available to dissatisfied consumers.

Since the state bar doesn't have to compete for the confidence of consumers, established attorneys have no real incentive to crack down on their fellow attorneys except in the most egregious (or deviant) cases. In fact, since any disciplinary action creates a precedent that could be used against other established attorneys in the future, there is an inherent reluctance to discipline.

In 1970 a special panel of the ABA, after a three-year study, reported "the existence of a scandalous situation. With few exceptions, the prevailing attitude of lawyers toward disciplinary enforcement ranges from apathy to outright hostility." For example, in California, of the 5,308 written complaints filed against attorneys between June 1977 and June 1978, only 236 ended in disciplinary action, with 10 disbarments, 76 temporary suspensions, and 150 lesser expressions of disapproval. In Pennsylvania, only 120 of the 9,971 complaints filed between 1973 and 1978 resulted in public punishment. The attitude of the state bar is reflected by the letter sent to all complainants, which declares that "nearly all lawyers are reputable and sincere" and counsels that complainants "should not expect to be given reasons for the final disposition" of the case.

Some state bars have blatantly misused their power to keep "morally disreputable" people from practicing the profession.

COMPETITIVE OPTIONS

The elimination of this State-sanc-

tioned monopoly would turn the monetary interest of attorneys around to the consumers' advantage. The economic self-interest of attorneys would be likely to yield one or more voluntary bar associations, which would set their own standards and would have a vested interest in maintaining their own quality and reputations. This would keep the respective associations "ethically competitive" in a free marketplace.

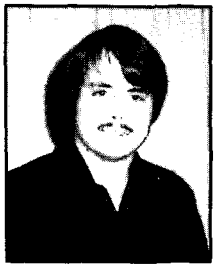
Private organizations also would be free and would have the incentive to create their own certification programs. The National Association for the Advancement of Colored People, for example, or the American Conservative Union could establish lists of recommended attorneys. Independent research organizations could survey the credentials of attorneys in different geographical areas and legal fields, creating "Dun & Bradstreet" legal rating services. And all would have good reason to expose, rather than shield, deceit and fraud by other organizations.

Such a diverse program of certification would leave the consumer free to decide whether or not to retain an attorney who had passed a specific bar exam, belonged to a particular bar association, or had committed or not committed some act of "moral turpitude." Such a free market, in the words of Milton Friedman, "renders special groups impotent to prevent experimentation and permits consumers and not the producers to decide what will serve consumers best."

The end result, of course, would be a more fluid and uncertain legal market, but also a more diverse and just one. Though such a system could not guarantee that no consumers would be defrauded or served incompetently, neither does the present system. But a free and competitive system would offer more and independent and thus *better* protection for consumers than does the current monopolized legal establishment.

Indeed, the organized bar is losing its grip. Fixed fee schedules and the ban on advertising have been struck down, and competitive legal clinics are starting to flourish. The California bar's proposal to shut down the state's unaccredited law schools requires a change either in the state's Supreme Court rules or in the licensing laws of the state—neither of which appears likely. And other restrictive practices are increasingly being attacked and discarded, though much still remains to be done.

This new trend is coming none too soon. The legal profession is far too important to be left under the control of the organized bar, which has monopolized the profession for far too long. ◻



Doug Bandow is a recent graduate of Stanford Law School and was recently admitted to the California bar. This article expands on articles published in the Los Angeles Times *and the* San Jose Mercury.

Branden

(*Continued from p. 30.*)

have, I believe, more persuasiveness. To say more would take me farther afield than I care to go.

ROMANTIC RESPONSE

To be sexually desired, in the context of romantic love, although not necessarily in the context of more casual relationships, is to be seen and wanted for what one is as a person, including what one is as a man or a woman. The essence of the romantic love response is: "I see you as a person, and because you are what you are, I love and desire you, for my happiness in general and my sexual happiness in particular."

Our spiritual-emotional-sexual response to our partner is a consequence of seeing him or her as the embodiment of our highest values, and as being crucially important to our personal happiness. "Highest," in this context, does not necessarily mean noblest or most exalted; it means most important, in terms of our personal needs and desires and in terms of what we wish to find and experience in life. As an integral part of that response, we see the loved object as being crucially important to our *sexual* happiness. The needs of our spirit and of our body melt into each other; we experience our most enraptured sense of *wholeness.* ◻

Copyright © 1980 by Nathaniel Branden

Nathaniel Branden is the author of The Psychology of Self-Esteem, Breaking Free, *and* The Disowned Self. *This article is excerpted from his forthcoming book,* The Psychology of Romantic Love (*J. P. Tarcher*).

Coming Next Month:

REASON's seventh annual Financial Issue, with another all-star line-up:

- **Howard Ruff and Julian Snyder** assess the likelihood of runaway inflation.
- **Jim Dines and Donald Hoppe** consider the prospects for a deflationary collapse.
- **J. Anthony Boeckh,** editor of *Bank Credit Analyst,* explains how the money supply has gotten totally out of control.
- **Ray Pastor** tells how to make money from oil.
- **Lloyd Clucas** makes a case for buying (yes!) common stocks.
- **Alan Reynolds** explains why tangible assets are not all they're cracked up to be.
- **Robert Halsman** gives a nuts-and-bolts explanation of how to make money in real estate.

Plus Murray Rothbard's Viewpoint, Steve Beckner's Money column, and reviews of new books on hard money and real estate—*and* a look at L. Neil Smith's new libertarian science fiction novel.

The Silly File

viewpoint

Alan Reynolds

In the past couple of years I stopped awarding the Annual Hobart Rowen Award for Economic Illiteracy because the sheer volume of qualified entries became unmanageable. At about the same time, however, I began collecting absurd comments and ridiculous proposals. Unlike most collections, this one has declined in value per ton. Before I toss it out, however, I'll share a few random selections from what I call "the silly file."

The Op-Ed page of the *New York Times* has provided a treasure of such gems as Mark Green (Mr. Nader's Sancho Panza) explaining that any complaints about "big government" are actually just "a figleaf for anticonsumer, antipoor, and antilabor policies that chiefly benefit large corporate interests." The *Times* also gave us the enlightened views of one Louis Levitt, who theorized last May that government could somehow extract more taxes by increasing welfare payments. "The increasing inadequacy of welfare grants," wrote Mr. Levitt, "will tend to increase the number of families with unreported income earned at low rates by periodically 'working off the books.' This will... rob the Government of taxes." Just give 'em more welfare and they'll choose occupations that pay better and are easier to tax.

On energy, the blue ribbon surely goes to Charles Peter's profundities in the *Washington Monthly* last May. Peters wants to "ration gasoline so that we could supply our needs with our own oil." "Our total withdrawal from the international oil market," says Peters, "would have a devastating effect on [OPEC] prices." Unfortunately, total household use of gasoline amounts to about two million barrels a day less than we import, so lowering the ration to zero wouldn't eliminate imports. If imports could be temporarily eliminated, as Peters suggests, it would devastate the US economy, but OPEC could easily wait until imports resumed.

Playboy entered the contest last fall with a similar attack on autos by Richard Rhodes. "Thirty-one percent of US energy today goes to vehicles," said Rhodes, which proves we need "free mass transit systems." Actually, only 26 percent of energy goes to "transportation," and that includes such things as transportation of goods, mass transit, airlines, and all the ships, planes, and tanks in the Defense Department. On the basis of such nonfacts, Rhodes concludes that "a tax on fossil fuels... would slow and eventually even halt inflation." That must be why Italy and France, with gasoline taxes of around $1.60 a gallon, have no inflation.

The US State Department set new standards of honest advertising in an ad for its *Bulletin*. "What other government or private publication," says the ad, "can boast of a 58% reduction in price?" It turns out that the cheaper subscription is due to switching from weekly to monthly publication, so that the price per issue (which they don't boast about) was actually increased by 122 percent.

A General Motors ad last April informed us that the company had patriotically written to its suppliers and asked them to support the president's program by charging GM less. Moreover, said GM, "we are advising our customers to shop carefully." Understanding of inflation apparently reached a record low in Detroit that month.

Writing in *Business Week* (Feb. 27, 1978), Amitai Etzioni tells us that "we" chose stagflation: "The question is basically one of what we collectively desire—lower unemployment on the one hand, or a humane, just society concerned with the quality of life on the other."

Felix Rohatyn, early last year, made it even clearer that government failure is the fault of the people. The problem, said Rohatyn, is that "we are lazy, cynical, and unwilling to make the effort, unwilling to demand... leadership, nobility of purpose, and sacrifice." Among these noble purposes, Rohatyn likes "a wartime austerity program," gas rationing, wage-price controls and "temporarily limiting imports from Japan" (a particularly noble sacrifice for, say, General Motors or US Steel).

Business Week has been an outstanding source of confusion about where the economy was headed. On May 16, 1977, *Business Week* worried about "Capital spending's elusive boom." Five weeks later, it reported "a kick from capital spending" but hinted that "the margin of excess capacity may be much less than commonly supposed." Two weeks later, capacity was "adequate to avert shortages and inflation... beyond 1979."

It isn't that nobody at the time knew better. In the *Money Manager* at about the same time (Apr. 11, 1977), I wrote: "When the acceleration of inflation becomes unquestionable, no later than early 1978... the result will be serious stagflation by late 1978 or early 1979, followed by a recession the severity of which will depend on how long the necessary slowing of money growth is delayed."

Like others who have again been surprised that inflationary policies result in inflation, *Business Week* is now (Mar. 3) lending editorial support to a six-month Nixonian price freeze, "stringent gasoline rationing," and assorted other magic tricks. Those who do not understand inflation should not presume to deal with it. Seven years ago (Mar. 10, 1973) *Business Week* likewise came out for tough price controls. That probably helped bless us with the second price freeze in June 1973, and the tough Phase IV program from August 1973 to April 1974 (when nonfood consumer prices rose at an 18.6 percent rate).

The latest and most reluctant entry in the silly file is a February 21 speech by Henry Kaufman, a distinguished economist with Salomon Brothers. Kaufman's ideas on how to repair the economy were so constructive that they were widely credited with sinking the stock market. He wants to "declare a national emergency" and set up a National Commission on the Revitalization of America—charged with "lifting the regulatory burden" and creating plans "to resurrect the marketplace." Among Mr. Kaufman's plans to deregulate the marketplace, however, are extensive credit controls, foreign exchange controls, and wage-price controls.

Reading the schemes of economic pundits these days is getting downright depressing. From now on, perhaps I'll only keep the reasonably sane proposals. That would sure keep my files thin.

Alan Reynolds is vice-president of research at a major US bank.

spotlight

Gold Entrepreneur

By Richard Goering

A young entrepreneur in Kansas City, Missouri, has decided to *do* something about our faltering monetary system. He's started a corporation that has become, to his knowledge, the world's largest producer of private gold coinage.

The entrepreneur is Conrad Braun, a 1960s' left-wing activist who experienced somewhat of a conversion to individual liberty and economic freedom. His company is the Gold Standard Corporation, a successful business engaged in the buying, selling, and storing of gold. The most significant part of Gold Standard's business is the minting of gold "coins" bearing the likenesses of prominent free-market economists.

From Gold Standard, you can buy a one-ounce piece that honors Col. Edward C. Harwood of the American Institute for Economic Research; a "Hayek Half" bearing the likeness of Friedrich A. Hayek, Nobel economist and an early customer of Gold Standard; a Henry Hazlitt quarter-ounce piece; and an Adam Smith piece containing one-tenth of an ounce of pure gold. The idea of all this is to help customers conduct their daily business in gold and to pave the way for the development of private monetary systems.

Since the one-ounce piece was introduced in November 1978, Gold Standard has sold about 100,000 coins. On a good day they'll do about $200,000 worth of business; on a slow day, $20,000. That's not bad for a young business that was struggling for credibility and survival a little over a year ago.

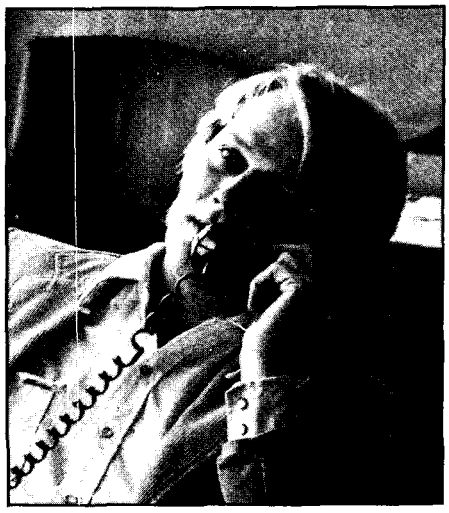
Customers can also buy, sell, and store gold bullion through Gold Standard. And Braun is experimenting with two new ideas—a "gold transfer" system that allows customers to write checks backed by gold, and a gold credit card that Braun hopes to see in general use someday.

Braun is working for the denationalization of currency. And his defense of that cause is simple, straightforward, and direct. "Existing governments have no interest in providing a sound currency," he declares. "If our governments are unwilling to provide a sound store of value, what choice do we as citizens have but to provide it ourselves?"

"The idea that money should always be in the hands of government is a superstition, like the divine right of kings. Really, I feel we're talking about an idea similar in impact to the American Revolution. I feel that governments have relinquished their rights to rule monetary systems, just like King George III relinquished his right to rule the colonies."

Not surprisingly, Braun has little regard for unbacked paper currency. "The dollar is just what you and I think it is, what we agree it is. It's a promise to pay nothing, because it's not redeemable for anything." Braun sees gold as a relatively stable means of exchange that has endured for centuries. Even now, he observes, the value of gold relative to goods stays within a narrow range. "Let's put it this way," Braun says. "Fifty years ago, you could buy the nicest suit in Kansas City for an ounce of gold. And today, you still can."

But the outspoken president of Gold



Conrad Braun

Standard isn't *for* a gold standard—at least not a government-mandated standard. "There's an element on the conservative side that's demanded the gold standard for 50 years—and it's never gone anywhere," he says. "The reason is that they want a fiat gold standard, just like we have a fiat paper standard. They don't want to eliminate legal tender laws; they want to force you to accept gold."

"If *you* want to trade with gold, fine, but you shouldn't force it on other people. The gold standard might not be the best standard; somebody might come up with a better one. By allowing the private marketplace to provide the solutions in the monetary realm, we can develop a sound currency. May the best system survive!"

Braun is convinced that the paper dollar will ultimately self-destruct. But he thinks this crisis can be overcome—*if* the private sector is allowed to develop monetary alternatives. And that freedom is a real concern to Braun, who feels that government suppression of private currencies will lead to "tyranny, chaos, and war."

How does a 1960s' antiwar radical end up as president of a private gold-minting firm? Braun doesn't feel that his present activities are necessarily antithetical to his previous beliefs. "The gold standard seems like a right-wing issue, but it's not," he says. "Even Karl Marx was for the gold standard. He recognized that people need to have a standard and fair medium of exchange."

Braun feels that his ideals are "pretty much the same" as they were 10 years ago—but his methods have changed. "I no longer believe the ends justify the means. Gold Standard allows me to pursue my ends and use proper means. It's the first time I've done that."

Braun has also developed a strong commitment to individual liberty and freedom, something he doesn't see in the contemporary right or left. This apparent "conversion" came at a turning point in Braun's activism. "I was contemplating taking over a radio station militantly, and I had difficulty formulating what I was going to say. Just how was I going to solve the world's problems? That's when I came up against a real barrier."

Braun was introduced to monetary theory through the works of Col. Edward C. Harwood. Soon, he began to read everything he could find on the history of money. When he was working as a commodity broker in northwest Missouri in the early 1970s, Braun began to wonder if gold couldn't be bought and sold as a commodity.

In early 1977, Braun founded Gold Standard, a corporation designed to help the average investor buy and store gold. The company struggled along until the first coins came out. Today, Gold Standard employs four people and operates out of an unmarked office building on a quiet residential street. "I'm doing this because I enjoy it, I believe it it, and I also hope to make some money," says Braun.

It's been said that virtually all social and economic problems can be solved through a free marketplace. If declining national currencies is one of those problems, Braun is one of the first entrepreneurs to offer an alternative.

Richard Goering is the coauthor of Rebuilding the Future, *just published by Peace Press.*

taxes

Eat Your Heart Out, IRS

By Timothy Condon

American taxpayers have once again been given an example of the IRS acting as a virtually autonomous institution—one that can just about make its own laws. This eye-opener was delivered recently when the US Supreme Court handed American taxpayers a gigantic tax victory by refusing to review a US Court of Claims tax case in January, thus letting the favorable lower-court ruling stand. But wait till you hear what the IRS has to say about that.

What it all has to do with is Internal Revenue Code Section 119, which says, "There shall be excluded from gross income of an employee the value of any meals or lodging furnished to him by his employer for the convenience of the employer, but only if...the meals are furnished on the business premises of the employer...." Well, that sounds simple enough.

But enterprising taxpayers as well as the IRS have twisted and chewed it this way and that, testing it here and there, all trying to gain some advantage for their side. By and large, the IRS (as usual) has won. Let's face it: most employees have few resources to fight such battles, and most don't want any trouble with the IRS anyway. The employer? Forget it. Most find it easier to work *with* the IRS than to get into hassles for their employees, even though the ability to exclude such perks means Social Security and unemployment tax savings for the employer.

Up till now, the IRS has been able to keep a pretty tight lid on this "people's loophole." The commissioner even had a National Office Technical Advice Memorandum sent out, saying that the difference between what is actually paid (if anything) and the "true market value" of such meals is extra, taxable compensation to employees. Which means you not only have to pay income taxes on it, but both you and your employer become liable for Social Security and unemployment taxes to boot!

All of this was going along pretty smoothly for the IRS up till a few months ago. Then along came the *Hotel Conquistador, Inc.* case. As it turns out, the Tropicana Hotel in Las Vegas (owned by the Hotel Conquistador corporation) operated a cafeteria that dished out around 1,200 meals a day to its employees, many of them free. The whole set-up was so that employees could spend less time on their meal breaks. The hotel, trying to be "fair" about the whole thing, valued those free meals at 45 cents each, which became extra wages to their employees. The IRS, however, decided after an audit that the meals should have been valued at $1.25 each. The extra tax assessments on the hotel and its employees totaled around $12 million.

But the company wanted to fight: to their eternal and glowing credit, they told IRS (figuratively, of course): "Screw you. We and our employees don't owe *anything* on the damn meals." And they were off to the races (and what poetic justice that the case should originate in Las Vegas, the spiritual heartland of the subterranean economy).

When the smoke cleared—on January 14, 1980, to be exact—the US Supreme Court had let stand a federal Court of Claims ruling that, no, those meals *weren't* taxable, at least not as far as Social Security and unemployment taxes were concerned (which is what the company was concerned with, since they are liable for both of these taxes).

Now, think of the possibilities. Food's getting pretty expensive these days, and it would be nice to get some free victuals at our job places and not have to pay taxes on them as "wages." Saves on time, saves on hassle getting to a place to eat, saves gas in driving. Since the reason the hotel corporation was giving out the free meals was to cut down on employee meal times, it would stand to reason that *any* company could do that. Have you asked your *own* employer lately if he'd like to increase your productivity and time on the job by giving out free meals? Well, maybe you should.

What about the IRS? What was their reaction to the Supreme Court? Just this: they promptly announced they *would not* follow the Court of Claims decision which the High Court had let stand. Why? Because there are a few federal court districts around the country—including the huge 9th Circuit, which includes California and the west coast—which have ruled the opposite way. This is called "forum shopping," and the IRS does it all the time. Thus, lots and lots of further court litigation—and its attendant expenses—is guaranteed by the IRS.

But don't let this stop you. Indications are that the taxpayers are going to win this one and win it big. It's just going to take a few more years of battling on the issue. In the meantime, take advantage of this tax break. I've got a feeling the highest Court in the land is on our side on this one.

Tim Condon is a tax lawyer currently practicing in Florida.

arts & letters

movies

- **Boardwalk**
- **Rich Kids**
- **Voices**
- **The Europeans**
- **Heartbeat**

Reviewed by John Hospers

• The Coney Island area of Brooklyn was long the residence of middle-class workers and small businessmen, a refuge of freedom for thousands of immigrants who settled in New York. Today the area has deteriorated, and because of violent rival gangs one seldom dares to venture out at night, or alone even by day. But for families who have lived there for many years and who know no other home, habits are difficult to change, and they remain in spite of the danger.

Danger is one theme of **BOARDWALK**. The comparison of the hoodlums to the Nazis, from whom many of the residents fled, is not lost upon the viewer. (And one sees how shallow was the treatment of the same theme in an earlier film, *The Warriors*.) But there are other themes interlocked with this, chief of which is the passionate and enduring love affair of an elderly Jewish couple, approaching their golden wedding anniversary. I don't remember a film in which both of the principals are octogenarians, but if that's what it takes there ought to be more of them. Lee Strasberg and Ruth Gordon are a marvel to behold in their "marriage made

in heaven," showing once again that they are among the finest actors alive, exciting both admiration for their perfection in their roles and intense emotional identification for the characters they portray.

Other themes too are fused in this picture: the squabblings of children, in-laws, and grandchildren (the old couple are younger in spirit than any of them); the closing down of the family cafeteria, a symbol of a declining era; and the utter desolation of the old man after the loss of his wife. There is a scene in which he approaches his house and hears the piano being played, and for a moment he thinks his wife is still alive, only to find that it is his grandson; just the working of the old man's face as he murmurs, "No, don't close the piano," has greater impact in 10 seconds than most entire movies. A high level of sustained acting, directing, and scripting have combined here to produce the surprise emotional blockbuster of the season—one which, if handled with less talent and imagination, could easily have become trivial or depressing or just confusing but which succeeds instead in being a memorable affirmation of renewed life.

• Few American films are shown in the Soviet Union. One that was extensively shown there was Steinbeck's *The Grapes of Wrath*—to show how miserable life was in America. But it boomeranged: "Do poor people in America actually own *cars*?" they asked, and the film was withdrawn from circulation.

What would they think if they saw **RICH KIDS**? Posh Manhattan townhouses, every conceivable luxury, maids and waiters and babysitters, several Rolls Royces to a family.... It would be quite unbelievable that such things exist. Even so, the theme of the picture might be good grist for the Soviet mill, for it is an intimate and touching picture of family dissension and unhappiness. All the parents involved are either divorced or in the process, and the children are the losers. Left to their own devices, they do things that would shock their parents, yet the parents are too busy with their marital and extramarital problems to follow the day-to-day activities of their children. When they do find out, they are so busy accusing each other that they forget the children once more, who go off by themselves and wonder how their parents got so screwed up.

The details of each scene are so plausibly set forth, and presented with such a fine cutting edge, that one must consider it a minor gem of cinematic art. Yet the story of Rich Kids in America, in spite of deft comic touches, is surpassingly sad. The Soviets could well use it as evidence of how miserable Americans are, after all.

• "Inspiring" is the word for the view of the New York skyline, even as seen from across the river in Hoboken. Hoboken itself, like much of the city across the river, is squalid and ugly. We are not spared any sordid details of this environment. Yet it is in this setting that an unexpected kind of drama begins to take shape before our eyes.

The young man's mother is dead, his father is a drunkard, his brothers are petty criminals; he is trying to be a successful singer, but everything is against him. Then he meets her—it is love at first sight, but no evanescent passion, rather an intense and abiding love that encompasses total devotion to the person loved, in the face of seemingly insuperable difficulties, and it dwarfs every emotion he has felt before. She is beautiful, she has grace and dignity and poise—but she is deaf. And because she is deaf, her fellow teachers at the school for deaf children say it won't work, that he will leave her when the problems of having a deaf wife come home to him. She herself has doubts. She meets his family in the most inauspicious of circumstances. They adopt an air of moral righteousness when they perceive that she is deaf. But the love between them is so overpowering that it carries them through every difficulty.

An old-fashioned romantic drama? Indeed it is, and there aren't many of them around any more. It is carried off with style and passion by the principals, Amy Irving and Michael Ontkean, and their performances, together with a spare and telling script, make **VOICES** one of the most richly rewarding films of the season.

• The difference between literature and film is the difference between *saying* and *showing*. There are things that can be beautifully and powerfully said that do not fare well in the showing. Sometimes, as in a character sketch, there is little in the way of external events for the camera to capture; sometimes, as in many novels, almost all that happens is internal—what goes on is primarily in the characters' minds and is only occasionally manifested in action; and sometimes, though there is action, the important thing is its symbolic or spiritual meaning. Thus the novels of (for example) William Faulkner and Joseph Conrad do not lend themselves to the cinematic medium. There are two current examples of this.

THE EUROPEANS is filled with beautiful autumn foliage in New England, palatial 19th-century mansions, and the costumes and decor of the period, reproduced to a fault. But none of this has anything to do with Henry James's novel. His dramas are almost totally interior—in the minds of his characters, and their perceptions of the minds of others through subtle cues in their behavior. Externally, nothing much happens: Lee Remick makes the most of what there is, but it's a losing struggle.

One must have time and no distractions to absorb the novels of Henry James. They move slowly, but surely and inexorably. They are rather like a sleeping blanket turned on low when one is cold—at first there is little effect and one almost abandons it, but gradually one becomes comfortable and finally quite warm and even glowing in the ambience of the James universe. Long after reading such a novel one recalls details of the characterizations and is impressed by the author's microscopic penetration of the most subtle nuances of the human mind therein revealed.

None of this, however, lends itself to film. Though one of James's lesser novels, *The Europeans* is full of inner life and of outer inaction. The outer inaction is what we see in this film. The story of a European countess who comes to visit American cousins hoping for a husband and goes back empty-handed is neither illuminating nor moving on the screen. Though the film is short, it still drags. "There oughta be a law" that the novels of Henry James should not be filmed; one gets only the outer husk and is usually deterred from reading the novels themselves where the real treasure lies. The most successful transcription of a James novel thus far is *Washington Square*, largely because Olivia de Havilland's facial expressions reveal more of her complex passions than do Lee Remick's. One hopes that his major novels, such as *The Ambassadors, The Wings of a Dove,* and *Portrait of a Lady* will be spared the ignominy of "translation" into a medium to which they are as ill-suited as any novels that come to mind.

The most recent example is **HEARTBEAT,** based on the life of novelist Jack Kerouac and the people he encountered in his cross-country peregrinations in the 1950s. The novel *On the Road* introduced to readers a new lifestyle ("the beat generation") and attacked head-on the values of the establishment. We are shown characters flouting every convention (much less shocking now than it was then), love triangles and assignations in seedy hotel rooms, and a woman with children and two men simultaneously functioning as her husband. But the screen characters are superficial, and what they do most of the time, in the absence of dramatic action, is somewhat boring to watch. People whose waking hours are largely consumed in drinking cheap wine and smoking grass, and thus predictably ending up in slum tenements and constantly wanting for money, are not that exciting to look at for two hours at a stretch.

What distinguished Kerouac's *On the Road*—besides the vastness of America, which isn't shown in the film at all—was its success, through an energetic and propulsive style, in communicating certain qualities: uncompromising rebellion, total involvement in a deviant lifestyle, and a certain driving energy. Nick Nolte is about as right for the part of Dean Moriarty as any current actor could be, yet as a

charged dynamo of energy he is wooden and stiff compared with the character that Kerouac brings to life in our imagination. Sissy Spacek is badly miscast as the itinerant girl-friend who plunges herself into the beatnik life, and her off-camera commentary on the events is superfluous and inane. It would all have been much better as Kerouac left it, as a series of haunting images in the minds of readers. Where every detail must be filled in, as it inevitably is through the lens of a camera, it loses the distinctive qualities of spirit with which Kerouac imbued it, and a viewer who hasn't read the novel can hardly help wonder what all the fuss is about.

John Hospers is a professor of philosophy at the University of Southern California.

books

Down to Earth

The Right Stuff.
By Tom Wolfe.
New York: Farrar, Straus, Giroux. 1979.
436 pp. $12.95.

Reviewed by Thomas W. Hazlett

It has often been trumpeted that the many billions launched into NASA's orbit by the American taxpayers were well spent in terms of their economic fallout. Where would we have come up with Tang instant breakfast fluid or pacemaker technology if not for Mercury, Gemini and Apollo?

Well, just when the economists were chortling over such self-serving hogwash from the aerospace lobbyists, a miracle event has indeed proven an enormous windfall from the government's gold-plated crusade to land a man on the moon. Tom Wolfe has given us *The Right Stuff.*

It may well be that Wolfe would have chosen the very same moment to produce an equally enchanting piece of journalism even if the taxpayers had been allowed to pocket their space contributions. But this is not the time to argue but to enjoy.

Wolfe's book is a locker-room view of the astronaut fraternity, a 436-page dossier bringing the Mercury project down to earth. Wolfe's abilities with pen and paper have been noted before, of course, but his colorful reportage is not the only weapon he employs in his journalistic assaults. Just as devastating is his unsentimental perspective of America and its ruling class, that spineless group of dilettante idealists always yearning to help the poor and oppressed but never really willing to risk even venturing downtown to actually talk with them.

Wolfe has never been afraid to go downtown. Or to Cape Canaveral. To write about the astronauts, indeed, he must have done everything short of mounting himself upon a Titan II. But it's fine that he stopped there, because Wolfe's actual story is not about space but about earth. And the people who walk upon it.

He's enchanted with them. What must be the terror-stricken thoughts of the wife of an Air Force test pilot, a woman who knows all too well that one-third of her husband's classmates will find a coffin before they find their military pension? What are the unspoken words of the daredevils who take to uncharted altitudes with experimental instruments in aircraft never flown before? What supernatural force could take such hold of a Princeton graduate to make him want to push his flying machine to its very limits, to "outside of the envelope," when a few moments before he had been standing at his best buddy's flag-draped casket?

"The Right Stuff" is what makes these men and women push on, even when chased by supersonic fears. It is the unquenchable human desire to compete, to survive, and "to not be left behind" that propels Wolfe's subjects into the fires of fate, day after grueling day.

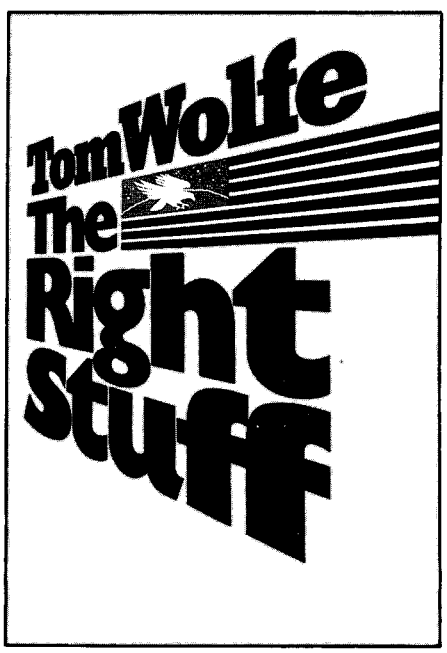
It's a delight to hear Tom Wolfe tell the story. Any one of his paragraphs, taken in isolation, shakes no trees. Twain or Poe might even make them look flat. But Wolfe talks about just what we want to know; he allows the story to suck us in and make us pant for more. We always do.

Like when we sit and listen to Wolfe's serenade on NASA's psychological testing of Mercury astronaut Pete Conrad:

In one test the interviewer gave each candidate a blank sheet of paper and asked him to study it and describe what he saw in it. There was no one right response in this sort of test, because it was designed to force the candidate to free-associate in order to see where his mind wandered. The test-wise pilot knew that the main thing was to stay on dry land and not go swimming. As they described with some relish later on in the BOQ, *quite a few studied the sheet of paper and then looked the interviewer in the eye and said, "All I see is a blank sheet of paper." This was not a "correct" answer, since the shrinks probably made note of "inhibited imaginative capacity" or some goddamned thing, but neither did it get you in trouble. One man said, "I see a field of snow." Well, you might get away with that, as long as you didn't go any further... as long as you did not thereupon start ruminating about freezing to death or getting lost in the snow and running into bears or something of that sort. But Conrad... well, the man is sitting across the table from Conrad and gives him the sheet of paper and asks him to study it and tell him what he sees. Conrad stares at the piece of paper and then looks up at the man and says in a wary tone, as if he fears a trick: "But it's upside down."*

This so startles the man, he actually leans across the table and looks at this absolutely blank sheet of paper to see if it's true—and only after he is draped across the table does he realize that he has been had. He looks at Conrad and smiles a smile of about 33 degrees Fahrenheit.

This was not *the way to produce the Halo Effect.*



But it is precisely the way in which Mr. Wolfe produces his own halo effect—in the eyes of his readers. The trick is to just tell the damned story and let the reader's own mind jump to the editorial comment. Such is the fabled "new journalism."

So what else do we want to know of the Mercury astronauts? Well, one interesting part is the way they became America's one-on-one Cold Warriors in the struggle with Russia. The Soviet success with Sputnik I plunged the great USA into a panic of self-doubt. While rocket launchings of unmanned American spacecraft televised live had actually shown our rockets "blowing up," the Communist giant was hurling masses of metal beyond the atmosphere at will. This was scary. "Surveys showed that people throughout the world looked upon the competition in launching space vehicles... as a preliminary contest proving final and irresistible power to destroy." How could this alien power, backward in economics and totalitarian in politics, be so far ahead? But ahead they were, the seeming unstoppable Goliath of high technology and modern central planning—a "mighty and mysterious Integral" of superior intellect and effectiveness.

The Mercury astronauts, seven brave men (John Glenn, Pete Conrad, Gus Grissom, Wally Shirra, Alan Shepard, Scott

Carpenter, Gordon Cooper), became our last hope. America squeezed them. The very morning after being introduced to the nation's press—before a single manned launching—James Reston wrote about the NASA-sponsored press conference as a religious experience:

What made [the astronauts] so exciting was not that they said anything new but that they said all the old things with such fierce convictions. . . . They spoke of 'duty' and 'faith' and 'country' like Walt Whitman's pioneers. . . . This is a pretty cynical town, but nobody went away from these young men scoffing at their courage and idealism.

This was reassuring stuff for the space cadets to read in the *New York Times,* for their previous concern was that, as astronauts in computer-controlled "capsules," they would lose their place as bona fide test pilots. Several of the seven had only grudgingly accepted their NASA assignments out of fear for what it might do to their standing in the fraternity of test pilots, those fellows who really flew their own rockets. (You never saw a chimpanzee make a test flight in an X-1, by God!)

But the press went for broke on the seven from Canaveral. Let Mr. Wolfe explain:

It was as if the press in America, for all its vaunted independence, were a great colonial animal, an animal made up of countless clustered organisms responding to a single nervous system. In the late 1950s [as in the late 1970s] the animal seemed determined that in all matters of national importance the proper emotion, *the* seemly sentiment, *the* fitting moral tone *should be established and should prevail; and all information that muddied the tone and weakened the feeling should simply be thrown down the memory hole. In a later period this impulse of the animal would take the form of blazing indignation about corruption, abuses of power, and even minor ethical lapses, among public officials; here, in April of 1959, it took the form of a blazing patriotic passion for the seven test pilots who had volunteered to go into space. In either case, the animal's fundamental concern remained the same: the public, the populace, the citizenry, must be provided with* the correct feelings! *One might regard this animal as the consummate hypocritical Victorian gent. Sentiments that one scarcely gives a second thought to in one's private life are nevertheless insisted upon in all public utterances. (And this grave gent lives on in excellent health.)*

It is with swashbuckling aplomb that Wolfe breaks the conventional journalistic straightjacket and brings the values of a civilized man's private life to public questions. Knifing the pretensions of Kennedy's Camelot; tattling John Glenn's directive to his fellow astronauts to cut out the screwing around and toe the Presbyterian line; or revealing the curse of Alan Shepard's bodily functions, which induced him to wet his space suit as tens of millions of his adoring countrymen sat pinned to the TVs wondering what great thoughts must have been pouring through his psyche at the fateful moment of the first lift-off, Wolfe wields a golden blade.

The Right Stuff is the Real Thing.

Tom Hazlett is a graduate student in economics at UCLA, a free-lance writer, and a REASON columnist.

Doctoring The Post Office Way

The Health Care Business: International Evidence on Private versus Public Health Care Systems.
By Ake Blomqvist.
Vancouver, B.C.: Fraser Institute. 1979.
208 pp. $5.95 (paper)

Reviewed by John C. Goodman

Think there's a crisis in the US health care system? It may be small comfort, but we're not alone. Ake Blomqvist, professor of economics at the University of Western Ontario, has just completed a comprehensive study of health care systems around the world. His conclusions? In Canada, a country with a full-blown system of national health insurance, health "costs are growing at an alarming rate." Ditto Britain, where socialized medicine is a major cornerstone of a cradle-to-the-grave welfare state.

Which system works the best? That's not an easy question to answer. "Health" is not something that is easily quantified, and what statistics there are can be used to support almost any position.

Take life expectancy at birth, for example. The Canadian youngster can look forward to a life span that is a few months longer than his counterparts in Britain and the United States. So it might be argued that Canadians get better health care than the British and Americans.

But Professor Blomqvist argues persuasively that this inference is unwarranted. Life expectancy at age one is also higher in Italy, Spain, and Portugal than it is in the United States. No one would seriously argue that citizens in these countries get better medical care than US citizens do. In fact, it turns out that in modern industrial countries, medical care has only a very minor impact on overall mortality rates.

For one thing, most health care is not of the life-or-death variety. What hospitals mainly do is make people more comfortable by attempting to reduce pain and suffering. In only a minority of cases do they actually prevent people from dying. For another thing, the major causes of death appear to be lifestyle and environment. Our ultimate demise is far more likely to be determined by whether we eat, drink, and smoke too much, by whether we drive too fast, or by where we live than by anything the doctors are likely to do.

To zero in on the real effects of health care, Blomqvist isolated a number of diseases for which lifestyle and environment are likely to be of minor importance and for which medical intervention might make a real difference. These include certain types of heart disease and diseases of the digestive and genito-urinary systems. The findings? As a percentage of all deaths, death by these causes was 5.6 percent in the United States, 6 percent in Canada, and 6.5 percent in the United Kingdom. The statistics lend support to the view that US doctors are doing a better job of keeping people alive than doctors elsewhere are doing.

How about the cost of medical care? In 1974, unit operating cost per-patient-per-day was about $96 in Canadian hospitals. The comparable US figure was $128. But there is another side to that coin too. In the United States and Canada about the same percentage of the population enters a hospital every year. The type of diseases for which patients seek treatment are very similar too. But the Canadian system is far less efficient in administering treatment. While the US patient pays more per day, the Canadian patient stays more days—about two and one-half more days per episode, on the average.

Health economists generally regard length of stay in the hospital as a reliable indicator of how efficient the hospital is. Are there delays in conducting tests and taking X-rays? Are the operating rooms available on schedule? Do patients linger longer because physicians forget to discharge them? Not only does inefficiency prolong hospital stays, but there is evidence that shorter hospital stays actually contribute to the health of patients.

Were the Canadian hospitals as efficient as US hospitals apparently are, Canada could eliminate almost 30 percent of its hospital beds! In fact, the potential savings are probably much greater than this. Patients over 65 years of age make greater demands upon hospitals. On the average, their hospital stays are three to four times longer than hospital stays for other patients. Yet the percentage of the population over 65 is 20 percent higher in the United States than it is in Canada. This makes even more remarkable the difference in length-of-stay statistics for the two countries.

What does all of this mean to the patient? While Blomqvist is cautious about drawing hard conclusions, a reasonable inference is this: For patients of the same

age and suffering from the same disease, the *total* hospital operating cost is probably about the same in both countries. But a good chunk of the Canadian bill pays for waste and inefficiency. In the United States, that money is more likely to be spent on CAT scanners and other medical technology that have life-saving value to patients. In addition, the Canadian patient can look forward to wasting more of his valuable time in the hospital.

There is also another big difference. In Canada, the government picks up the whole tab and pays for it by collecting higher taxes. That difference, Blomqvist finds, is the source of most of Canada's health care problems. Precisely because of national health insurance, no one has an incentive to economize. Not the patients. Not the doctors. Not the hospital administrators.

Patients have no reason to show restraint because medical care is "free" at the point of consumption. Doctors know they will get paid regardless of what they do. Hospital administrators? Well, they face about the same incentives as those faced by the administrators of the US Postal Service.

This book is a valuable contribution to our understanding of the economics of health care. It is well written, well researched, and must reading for any American who believes that national health insurance is a viable solution to our health care problems—or for anyone who wants to be able to dispel the convictions of such a believer.

John Goodman is a professor of economics at the University of Dallas and is the author of books on public policy, social security, and socialized medicine in England.

A "Vaguely Moral" Essay

The American Vision: An Essay on the Future of Democratic Capitalism
By Michael Novak
Washington, D.C.: American Enterprise Institute. 1978. 60pp. $2.75 (paper).

Reviewed by Douglas B. Rasmussen

According to Michael Novak, a resident scholar at the American Enterprise Institute and a prominent neoconservative social theorist, the capitalist system lacks an integrated defense. "There is no single book one would willingly place in the hands of a serious inquirer and say: 'Here is our full moral, political, and economic vision.'" Novak's essay is an attempt to fill this gap—not with a theoretical discussion, which would be just so much "ideology," but by comparing the actual experiences of people living within "capitalist" and "socialist" systems. Since people do not live in theories but in real, concrete systems, Novak proposes "to think concretely" about "democratic capitalism."

"Democratic capitalism," according to Novak, is three systems in one—economic, political, and cultural. Its strengths are: its wealth-conferring character, its efficiency, its promotion of democracy, and the development of certain habits of mind: systematic skepticism and a basic trust in experience; a primary concern for how a theory works in practice, regardless of its dictates; and a spirit of trying to reach agreement on issues without first having solved all the differences.

There are, however, vices in "democratic capitalism," too. An exclusive concern for the empirical and pragmatic can leave the spirit undernourished, hungering for ideals; and the very ability of the system to satisfy wants so efficiently can reduce the capacity of people to defer gratification and make the long-range commitments necessary for the very maintenance of the system.

These weaknesses, not to mention the "vaguely immoral character" of a system based on self-interest, make "democratic capitalism" an easy target for socialism, which emphasizes issues on which "democratic capitalism" seems weakest. Socialism's appeal is basically moral; it emphasizes brotherhood, a moral vision describing what man could be within a new social order, and an integrated worldview.

Novak responds that the impact of "democratic capitalism" upon culture is a most neglected theme. If we do pay attention to the "texture of our daily lives" within this system, we find that the ideals of fraternity, equality, and liberty fare quite well. Americans cooperate, believe in teamwork, join organizations, value congeniality, and love tasks. Egotism and self-absorption do not characterize our daily activities within the system.

Moreover, the system is dynamic. Those at the economic top and bottom of society circulate. Even though the system does not guarantee success, there is opportunity for all. Admittedly, there is luck as well as skill involved in where one comes out economically, but such "luck" is a real, even if unappreciated, part of life.

Finally, "democratic capitalism" offers liberty. It does not guarantee how liberty will be used, but it nonetheless guarantees liberty. This is a fact that merits no small emphasis.

With such an assessment, it would seem that "democratic capitalism" could not help but prevail. Yet since World War II there has arisen within the system a social class whose aims are inimical to its basic features. This "adversarial class" is made up of intellectuals adept in the use of the media. Spawned by the very success of the system, this group has goals summarized by Novak as simply: "What's bad for business is good for the country and vice-versa."

Novak suggests that, in order to meet this challenge, the defenders of "democratic capitalism" take the offensive, showing the adversarial class to have interests and ambitions of its own. The adversarial class is statist: it seeks power to control people's lives. The adversarial class is aristocratic: it is really distant from the people and maintains itself only through service to the bureaucracy. The adversarial class is expensive: its proposals create regulation that increase the cost of almost hectic and complex.

Defenders of "democratic capitalism" should make their case through advertising that clearly states the advantages of the product; through education that calls for a careful, nonpropagandist, examination of free enterprise; and through a "war of ideas" that seeks to make the nature of the adversarial class (and the advantages of "democratic capitalism") clear to the reporters who cover social and political news. Novak calls for every corporation to have four or five scholars in residence to accomplish this and related tasks.

Though certainly meritorious in many respects, Novak's book does not even come close to providing the moral vision of "democratic capitalism." It seems, in fact, that Novak forgets that this was the stated aim of his essay. He never explores the basis for moral judgments, the exact nature of capitalism, and, most importantly, the intimate relation between freedom and virtue. Moreover, Novak seems to accept uncritically a view of morality that does not recognize the achievement of individual happiness as the aim of morality, which certainly seems a prerequisite for any adequate moral defense of capitalism.

An intelligent, sincere member of the adversarial class would not be staggered by any of Novak's punches. The disagreement is precisely between fundamental moral viewpoints, and it is here that the issue must be resolved.

Doug Rasmussen teaches philosophy at Our Lady of the Lakes College, San Antonio.

An Ides of April Book

The Ides of March Conspiracy.
By Clyde Matthews.
New York: Arbor House. 1979. 307 pp. $9.95.

Reviewed by R. W. Johnson

Likened by some to George Orwell's *1984*, this is a story of computer technology and its potential misuse by Big Government. Matthews went to executives of Computer Techniques Corporation for some expert

advice in writing this book, and his terminology shows it.

Three computer experts become concerned when nobody listens to their expressed concerns about computer linking as a threat to privacy and civil liberties and about the possibilities of computer terrorism against governments. Deciding to demonstrate the vulnerability of systems thought to be secure, they zero in on the IRS by breaking their key codes (with the help of a look at some printouts left lying around in an IRS computer center). They gain access to the system through a satellite used for the links between Martinsburg and the regional IRS offices and wreak havoc a month before tax returns are due by causing audit notices to be sent out to pols and executives, lists of tax-delinquent members of Congress to be sent to the news media, and copies of dossiers (which they discovered to be kept illegally in the system) sent to the subjects thereof.

The altruistic objective, of course, is to cause gigantic embarrassment for the government, without any lasting damage, and also to expose the threat of tyranny should a Senate bill regulating and monitoring all computers be passed. What happens after the moving press conference, the arrest and trial of the conspirators, the attempts on their lives, makes good novel suspense and action but is not very credible. Bugs in the conspirators' Washington apartment as they prepare for trial should have been anticipated if they were really smart. And the eventual suicide of the "heavy," a US senator bent on taking over the country with his computer control bill, leading to the ultimate vindication of the conspirators, lacks some imagination. The plot could have been a lot more creative in this area.

The matter of the satellite access is glossed over rather lightly. Considering that such takes a large parabolic antenna and a lot of expensive microwave equipment that is difficult to obtain if not impossible to hide, some attention should have been given to how this was done rather than leave the inference that an existing facility was surreptitiously used. Finally, the intruder was clever enough to make his initial approaches "invisible" by erasing techniques akin to computer amnesia but seemed unable to cover up the true source of the inserted programs long enough to avoid being arrested almost immediately.

But all in all, the novel makes good reading to those not too familiar with computer technology and radio communications. To curl up with it on a cold night would be a satisfying libertarian activity.

R. W. Johnson is a professional electrical engineer with a consulting practice in California.

letters

(*Continued from p. 10.*)

tion on two "highly significant facts": (1) that the Minuteman system is not vulnerable to a preemptive strike, and (2) that genuine defense against ICBMs is now "quite feasible."

Regarding point (1), Poole asserts that the circular error probable (CEP) is a theoretical quantity, not amenable to empirical verification. This is contradicted by the

rudebarbs

by Randall K. Hylkema

MOTHRA MOP, INC
DON'T LET THE COMPANY BOSS YOU AROUND!
AMALGAMATED MOP MAKERS UNION REGISTRATION
WITH 200 EMPLOYEES HERE, MANAGEMENT WON'T LISTEN TO ONE LONE WORKER.
NOPE, UNIONS AREN'T FOR ME.
YOUR VOICE WON'T BE HEARD!
I'LL SIGN
ME TOO
SORRY KID - THE UNION WON THE ELECTION. NOW YOU HAVE TO JOIN, OR LOSE YOUR JOB
NOW WHO'S BOSSING ME AROUND?
AMALGAMATED! 10,000 WORKERS STRONG!
WELL... I DO HAVE SOME IDEAS ON PROGRAMS AND REFORMS FOR AMALGAMATED.
YOU? YOU'RE JUST ONE UNION MEMBER OF 10,000! WHY SHOULD UNION MANAGEMENT CARE ABOUT YOU?

Permission to reprint this cartoon in periodicals is hereby granted, provided it is accompanied by this notice:

Reprinted with permission from REASON magazine. Copyright © 1980 by the Reason Foundation, Box 40105, Santa Barbara, CA 93103. $19.50/year.

fact that CEPs are obtained from the results of actual missile flight trials. Such trials are commonly conducted by the United States from Vandenberg AFB. The Soviets also conduct these trials, often from Tyuratam, a site near the Aral Sea. As of April 1978, tests of the SS-18 had demonstrated a CEP of 0.1 nautical mile (*Aviation Week & Space Technology*, Feb. 19, 1979). The vulnerability of an installation such as a Minuteman silo is determined by three factors: the CEP of the attacking warhead, its yield, and the hardness level of the silo itself. For an SS-18 Mod 2 ICBM, carrying 8 warheads of 2 MT yield apiece, the kill probability of a single warhead against a Minuteman silo (hardened to 1,500 psi overpressure) is somewhere between 99 and 100 percent, provided the 0.1 nmi CEP was available. If the CEP were to be doubled, the kill probability drops to about 80 percent. The mitigating factors Poole cites are not very strong in modifying CEP values: the earth's gravitational field structure is fairly well known, the winds are a trivial matter for a reentry vehicle traveling at hypersonic speed, and air density variations tend to be important only in a meteorological sense and are accounted for by suitable inefficiency factors during force planning. We have 1,054 Minuteman and Titan II silos. The SALT I treaty permits the Soviets to emplace 310 SS-18s. With the warhead load described, this makes 2,480 warheads available for a preemptive strike. By any reasonable criterion, this amounts to a serious threat to Minuteman survivability.

Regarding point (2), Poole refers to the possible advent of laser weapons and/or advanced missile interceptor systems. Having worked for the past year and a half on the preliminary design and strategic mission analysis of high-energy laser weapons, I consider myself close to the subject. Regrettably, the only unclassified response I can give to Poole's optimism is that he does not know what he is talking about. The only demonstrations of laser lethality to date amount to shooting down an antitank missile...and this took tons of machinery. A similar situation exists with the advanced missile interceptor concept: it looks great on paper. What Poole does not mention is the fact that these technologies would require nearly a decade of development to reach the prototype level, and that the cost of such development would be quite as high as for the MX or the Trident programs.

The fact remains that a period of vulnerability to preemptive strike will commence roughly by 1983, some 3 years before the earliest MX deployment. Poole should not be so unconcerned about the number of warheads an SS-18 can carry. If a preemptive strike were to be carried out, and the bulk of our land-based ICBMs were negated, it does not follow that we could safely retaliate. The Soviets have deployed the SS-18 in a cold-launch mode, which means that no silo refurbishment is required after a launch—permitting the relatively rapid *reloading* of those same silos with similar missiles. The Soviets could threaten the United States with a second strike following the first, if we chose to retaliate. Because such a second strike would effectively be murder of many millions of American citizens, no rational policy could embrace anything other than surrender.

I am not saying that we should not strive toward many of the goals that Poole advances; quite the contrary. But I do want to emphasize that no benefit is to be gained by underestimating our current plight or indulging in wishful thinking.

Mike Dunn
Federal Way, WA

Mr. Poole replies: First, since a missile's CEP can only be measured over *known* trajectories, it remains unknown how much "bias" there will be when launching warheads over previously unflown trajectories (such as Tyuratam, USSR, to Grand Forks, Montana). Moreover, extrapolating to a whole field of silos the results of the calculated vulnerability of a single silo leads to misleadingly high estimates of the field's vulnerability. Nevertheless, it is certainly true that Soviet missile capabilities are increasing steadily, making US ICBMs less survivable with each passing year. The key question is: what should we do about this?

My fundamental point is that the resources available for military purposes are necessarily limited. The likelihood that adequate billions will be devoted to the development of needed *defensive* capabilities against Soviet missiles is quite small *if* $40 billion is to be soaked up by MX and another $30-$40 billion on Trident. What is required, instead, are interim measures to prevent a drastic shift in the strategic balance until laser weaponry can be developed and deployed (very likely, by the end of the decade).

One such measure was made public in the Feb. 25 *Aviation Week*. A $7-$10 billion program could modify the Minuteman 2 missiles so that they could be launched into parking orbits *as soon as warning of an attack was received* (i.e., within a minute or so, sufficient even to escape submarine-launched missiles). The missile would remain in orbit until directed either to attack targets or to return safely to the ground. This system could be operational by 1986—and at a fraction of MX's cost.

Lastly, opinion within the defense community differs as to the date by which laser ABM weapons can be available. According to *Aviation Week* (Oct. 22, 1979), one "faction in the Pentagon and the services believes that a 5-megawatt high-energy laser...could be placed in space for either satellite defense or ballistic missile defense as early as 1983 if adequate funding is provided for systems integration work in the next fiscal year." The Air Force's KC-135 flying laser laboratory will soon be used for tests of a CO_2 laser against air-to-air and air-to-surface missiles. The Defense Advanced Research Projects Agency has a competition under way to select a contractor to design and build both an experimental laser suitable for space (known as Alpha 2) and an aiming system (known as Talon Gold). Thus, an operational date of 1986—or 1990 at the outside—does not seem fanciful, given adequate funding.

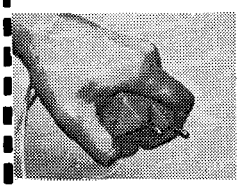
Price vs. Value

In your notes on "Gold Remonetization" [Trends, Jan.], you used the word "value," indicating that US gold reserves' "value" had risen over the years. Their *price* had risen but their value still buys about the same amount of basic goods and services as before.

As for Carter's doing anything about remonetization, as long as the government prints paper money, it can't. You have to look to a balanced budget to halt inflation, and then you won't need remonetization.

Thomas S. Booz
Plantation, FL

7000 VOLTS
In the Palm of Your Hand



The ELECTRIC FIST

Weighs 10½ oz. Measures 6¾ x 2 x 1¼ inches. Cover with your hand or hold on end. Safety switch. Cycolac case for long life. No hazard to user but repels largest animals. Made for close work by veterinarians. No permit required. An ideal no-nonsense defensive weapon. Complete with batteries

MAIL THIS ORDER FORM

( ) "Electric Fists" at **$34.50**
( ) 2 at **$33.00** each (total $66.00)
( ) 3 at **$31.00** each (total $93.00)
( ) 6 at **$29.00** each (total $174.00)

( ) **Holsters at $6.00 pospaid**

size and weight give pocket, purse or glove compartment convenience. "The Electric Fist" is strong enough to make Jacobs Ladder Lightning yet remain safe and non-hazardous to you or an attacker.

Name _____
Address _____
City _____
State _____ Zip _____
Enclosed is ☐ Check for $_____
☐ Money Order for $_____
or charge my ☐ Master Charge ☐ BankAmericard
Card Number _____
Exp. Date _____ © 1979
Signature _____
ORDER BY MAIL from BLUE SERVICE
Dept. IC, P.O. Box 3042
Rosedale, Kansas 66103

VISA BANKAMERICARD master charge

classifieds

ANNOUNCEMENTS

DON'T MISS THE SEMINAR OF THE YEAR—Freedom Seminar III at Northwood Institute, July 27-August 1. Featuring Robert Bleiberg, John Goodman, Anthony Harrigan, Lawrence McDonald, Ron Paul, Hans Sennholz, Walter Williams, and eleven more! Send for detailed brochure to Lawrence W. Reed, Seminar Director, Northwood Institute, Midland, MI 48640.

REVEREND KIRBY J. HENSLEY invites all those interested in becoming one of the over 10,000,000 already ordained ministers and receiving Minister's Credentials and full details, to send a $10.00 tax-deductible donation to Universal Life Church, 10023 Firmona Ave., #19-G, Lennox, CA 90304.

CHRISTIAN LIBERTARIANS: The Galatians Fellowship is in its second year and growing steadily. For details and free newsletter, write to Lee Schubert, 10 Harwich Rd., Morristown, NJ 07960.

TAXES AND REGULATION costing you far too much? To restore the American dream, to turn America's genius loose, let's limit government to security for our life and property, as intended by the founding fathers: Strong defense against foreign criminal governments; protection from domestic felons and good court system not presently supplied by two-parties. Send for free information on the Libertarian Party (America's third largest). More complete package $1.00. Colonel Dockstader, Box 944-A, Yucaipa, CA 92399, 714/797-4919.

BOOKS

F. R. WALLACE'S "PSYCHUOUS SEX" (470 pages). $17.50 paperback, $25.00 hardcover, postpaid. I & O Publishing Co., Inc., Dept. R. 224 Las Vegas Boulevard N., Las Vegas, NV 89101.

DISCOVER "CENSORED"! Unique Libertarian/Pro-Freedom directory—and lots more! Just out! Details free for SASE. CENSORED-R, P.O. Box 1526, Bonita Springs, FL 33923.

THE CASE AGAINST A LIBERTARIAN POLITICAL PARTY! The most controversial book of the 1980 campaign! Before you give away any of your hard-earned money to "libertarian" politicians, you must read this thought-provoking new book. Topics covered in this 40-page book include: the incompatibility of politics with libertarian principles, political activity as a public good, common arguments in favor of political participation demolished, behind-the-scenes looks at a couple Libertarian Party conventions, a no-holds-barred assessment of the current partyarchs, alternatives to political activity, and more! You won't see these arguments and issues raised in any Party propaganda! Invest in yourself—not in politicians. Complete book only $5.00 postpaid. Loompanics, Box 264-R, Mason, MI 48854.

EMPLOYMENT

WANTED: A FEW GOOD LAWYERS willing to defend freedom of gun ownership. The Second Amendment Foundation (with 250,000 members nationally) is expanding its "Lawyer Listing Service," by which we match litigants in gun cases with sympathetic local counsel. If you'd like to be listed in the service write: Second Amendment Foundation, "Lawyer Listing Service," 1601-114th S.E., Bellevue, WA 98004.

DISTRIBUTORS WANTED for quality line of natural cosmetics, home cleaning products, food supplements. Work own hours, territory. Neo-Life Products, Box 803, Laporte, CO 80535.

JUNE 1980 LAW GRAD, interested in taxation, corporate matters, seeks challenging legal, nonlegal position. Southeastern, Southwestern states. Resume furnished. R. Enright III, 125 Ashley Circle #4, Athens, GA 30605.

PETITIONERS NEEDED for LP ballot drives around the country starting now through August. Travel and make money. If interested, available, and eligible to vote, write: Ed Clark for Pres. Committee, 2300 Wisconsin NW, Washington, DC 20007, or call 202/333-8263.

FINANCIAL

INVESTING IN GOLD & SILVER COINS? Did you buy or sell at 300? 500? 850? Weekly newsletter predicts short-term highs and lows. Send SASE to Box BB, REASON.

LIBERTARIAN-OBJECTIVIST registered commodity broker. Trading in all major futures markets. Emphasis on precious metals, financials, and currencies. To open an account call 816/524-5400, collect. Ask for Ted Lenger.

BUY SILVER COINS at face value. Complete details $2.00. Satisfaction guaranteed. Bannon, Dept. R-4, P.O. Box 942, Pittsburgh, PA 15230.

FREE ENTERPRISERS: Large opportunity gas-saving synthetic lubricants dealerships. Small investment, unlimited sales area. Write: Anderson Engineering, Epsom, NH 03234.

HUGE PROFITS IN US OIL LEASES: 100% Tax Deductible. Latest Report $1. J. L. Wallace, 3901-1C Parkview, Irvine, CA 92715.

26% ANNUAL RETURN on participating funds. No selling, buying, or work involved. Limited financial risk. All funds fully secured by hard assets. Free information. PACO, Postbox 692, Harbor City, CA 90710.

PERSONALS

ALASKA LIBERTARIAN MALE, mid '30s, seeks long-term relationship with like-minded woman, late '20s through late '30s. Should have interests in reading, chess, self-improvement, dog mushing, and fulfillment. Reply Box Z9, REASON.

PRODUCTS

QUALITY FOOD STORAGE programs for cheap libertarians! Hedge against rising food prices; quality nutrition without compromise. Neo Life Products, Box 803, Laporte, CO 80535.

PUT YOUR SENSE OF HUMOR to work for you with these 2 ultimate guffaws for those humorless socialists!! THE GOLDEN SCREW (24K gold plated on onyxlike base with incredible warranty) *and* a complete MINIATURE U.S. COINS SET (replicas of all 6, "silver" dollar thru "copper" penny, a real primer in today's "$" values) *say it all*!! Both 9.95 postpaid, 1st class mail. Gardiner's Gifts, Otter Rock, OR 97369.

FLATULENT? (FREQUENTLY?) FEAR NOT! Read Benjamin Franklin's long-suppressed essay of 1780 on (believe it or not) farting. Hilarious! Frameable. $4. "Essay," Box 69-A, Carrboro, NC 27510.

PUBLICATIONS

LYSANDER SPOONER 24 Microfiche set of THE COLLECTED WORKS OF LYSANDER SPOONER $15 postpaid. 20-page Index to THE COLLECTED WORKS OF LYSANDER SPOONER $3 postpaid. Order from Carl Watner, 7250 Washington Boulevard, Baltimore, MD 21227.

LIBERTARIANS! See why *The Quill* is making converts in Indianapolis. Send for FREE copy. 4531 S Sherman Dr., #8, Indianapolis, IN 46227.

NOTES FROM THE UNDERGROUND. Tired of the Party line? Looking for a window on the libertarian inner world? Send $10 for a full-size softbound volume (103 pp) of iconoclastic inquiry into life, liberty, and the pursuit of happiness. Book reviews, self-criticism, weird exploits, and other essays edited by Mike Dunn. We are off the beaten path. Franson Publications Dept. R1, 4291 Van Dyke Place, San Diego, CA 92116.

ABORTION AND THE DRAFT: AGGRESSION ON BOTH COUNTS. For Doris Gordon's talk published in the *CONGRESSIONAL RECORD*, send long SASE. LIBERTARIANS FOR LIFE, 13424 Hathaway Drive, Wheaton, MD 20906. 301/460-4141.

SERVICES

FREEDOM is what we all want. Become economically independent. My fee is based on the amount your income is increased. Call Michael Roberts 213/368-8427.

PROFESSIONAL RESEARCH & CONSULTING—economics, investments, legal, academic. Free-market projects preferred. Radford Associates, PO Box 2247, Martinez, CA 94553.

POLITICAL CAMPAIGN? Radio outsells newspaper according to RAB. SUNSPOT PRODUCTIONS' unique radio spot reaches masses. Sample ad 808/239-9303 collect.

RATES: 35 cents per word, $7.00 minimum. For REASON box number instead of personal address, add $1.50 per insertion. *All orders must be accompanied by payment,* and copy should reach us by the first day of the second month preceding the month of issue (e.g., advertising for the March issue, which is mailed early in February, should reach us by January 1st).

THE CLASSIFIED AD DEADLINE FOR THE JULY ISSUE IS MAY 1.

contents of volume eleven

No. 1, MAY 1979, $2.00

- Shooting Down the Conspiracy Theory/*William Marina*
- Environmental Activists Capture Washington/*H. Peter Metzger*
- Surviving the Blackboard Jungle/*Theresa Hale De Soubiese*
- Boom Times in Casuistry 101/*Peter Fasolino*
- Right to Work: What Is It? Who Has It?/*Thomas R. Haggard*
- Editorial (Poole)/*The "National Service" Menace*
- Viewpoint (Reynolds)/*The Specter of Credit Controls*
- Taxes/*Klee vs. the IRS*
- Books/*Assessing the Criminal; Justice and Punishment; Neither Cruel nor Unusual; The Right and Wrong of Compulsion by the State; Charge; Tax Target: Washington*

No. 2, JUNE 1979, $2.00

- Cashing in on Currencies/*Harry D. Schultz*
- Diamonds: The Portable Tax Haven/*John Joseph Matonis*
- Dollars and Deficits/*Nicholas L. Deak*
- The Poor Man's Swiss Bank Account/*Sandy Sandfort*
- The Crash That's Coming and How to Survive It/*Howard J. Ruff*
- Winning at Commodities/*E. Raymond Pastor*
- Money Really Matters/*David E. Rhoads*
- The Coming Bull Market in US Commemorative Coins/*Walter Perschke*
- Protect Your Cache/*Mark Skousen*
- What Stops Inflations?/*Donald L. Kemmerer*
- Editorial (Machan)/*Rescuing the Welfare State?*
- Viewpoint (Rothbard)/*The Death of a State*
- Spotlight/*Ed Nagel*
- Books/*The Optimist's Guide to Making Money in the 1980s; The Inflation Crisis, and How to Resolve It*

No. 3, JULY 1979, $2.00

- Pleading Jim Jones' Case/*Thomas W. Hazlett*
- Man vs. State/*Gerald M. King*
- Who Will Speak for Capitalism?/*Robert H. Bork*
- The Neglected Problem of Unattachment/*Charles Maling*
- Anticommunist? Yes. Cold Warrior? No./*Michael McMenamin*
- Editorial (Poole)/*On the Decline of US Power*
- Viewpoint (Davidson)/*Eateries: Whom Do You Trust?*
- Taxes/*Budget Wars*
- Books/*Make-Believe Presidents; In Defense of the Corporation; Overload*

No. 4, AUGUST 1979, $2.00

- Shrinking Government/*Norman Macrae*
- Liberty on the Horizon?/*Janet Smarr*
- San Francisco's Hired Guns/*Christine Dorffi*
- Information Liberation/*Michael E. Anzis*
- The Moon Race Cover-Up/*James Oberg*
- The Cost of Conscription/*William P. Field, Jr., and Donald J. Boudreaux*
- Editorial (Poole)/*Insuring Aviation Safety*
- Viewpoint (Reynolds)/*Quebec: The Economics of Separatism*
- Money/*Money and Freedom*
- Books/*The Attack on Corporate America; Illusions; The Last Romantic: A Life of Max Eastman; Rose Wilder Lane: Her Story; Give Me Liberty*

No. 5, SEPTEMBER 1979, $2.00

- Can't Read, Can't Write, Can't Calculate/*Louis Segesvary*
- Denationalizing the Mails/*Jeff Sampson*
- Alienation: Was Marx Right?/*Tibor Machan*
- Does God Have a Ph.D.?/*David L. Norton*
- Victims of Benevolent Aggression/*Robert J. Ringer*
- Editorial (Poole)/*Energy and Power*
- Viewpoint (Rothbard)/National Review *and the Pro-Government Coalition*
- Taxes/*Your First/Best Investment*
- Books/*The Ultimate Foundation of Economic Science; New Directions in Austrian Economics; The First World and the Third World; Harvard Hates America; The Genesis Machine*

No. 6, OCTOBER 1979, $2.00

- The Second Battle of the Redwoods/*C. R. Batten*
- Populism for Power/*Michael McMenamin and Earle Turner*
- The Great Money Hoodwink, II/*Eric Way*
- Islands of Freedom: An Alternative for New Countries/*John Hospers*
- Editorial (Poole)/*Refugees—And Other Boat People*
- Viewpoint (Davidson)/*Consumer Revenge*
- Spotlight/*Linda Abrams*
- Books/*Criminal Violence, Criminal Justice; Doing Good; Never Again: Learning from America's Foreign Policy Failures; How to Be Your Own Lawyer (Sometimes); How to Prosper during the Coming Bad Years*

No. 7, NOVEMBER 1979, $2.00

- Who's Bankrolling the UFW?/*Patty Newman*
- Who Should Pay for Nuclear Accidents?/*Sheldon L. Richman*
- The Conceits of the Keynesians/*William P. Field, Jr.*
- If You Liked Watergate, You'll Love Handgun Prohibition/*Don B. Kates*
- Editorial (Poole)/*Rescue Chrysler?*
- Viewpoint (Reynolds)/National Review: *Round 2*
- Spotlight/*J. Clayburn La Force*
- Taxes/*Now Is the Time*
- Books/*Cover-Up: The Politics of Pearl Harbor; In Pursuit of Happiness; The View from Sunset Boulevard; On Moral Fiction*

No. 8, DECEMBER 1979, $2.00

- Britain down the Drain?/*Antony Flew*
- Housing Protectionism/*John McLaughry*
- Challenging the Public School Monopoly/*E. G. West*
- Nozick under Fire/*J. Charles King*
- The Political Order of a Free People/*Douglas J. Den Uyl*
- Resurrecting Rights/*Jeffrey Paul*
- Science Fiction Comes of Age/*John J. Pierce*
- Ursula Le Guin: Novelist/*Jeff Riggenbach*
- An All-Too-Possible Future/*F. Paul Wilson*
- American Dissidents/*Justus D. Doenecke*
- Herbert Spencer: Radical Antistatist/*Ellen Frankel Paul*
- Undercutting Egalitarianism/*Wallace I. Matson*
- Editorial (Machan)/*Press Hypocrisy*
- Viewpoint (Rothbard)/*Is Liberty Enough?*
- Spotlight/*Gordon Brownell*

No. 9, JANUARY 1980, $2.00

- Gasohol: The 10% Solution/*Samuel L. Blumenfeld*
- Hell, No, We Won't Go (to the Energy War)/*Robert J. Michaels*
- Solar Myths and Solar Facts/*R. W. Johnson*
- Doctors as Instruments of Repression/*Juliana Geran Pilon*
- American Inquisition: The FDA's Persecution of Wilhelm Reich/*Don Erik Franzen*
- Another Side of Oscar Wilde/*Wendy Grosscup*
- Editorial (Poole)/*Space Piracy*
- Viewpoint (Davidson)/*Amazing Writing*
- Spotlight/*David Boaz*
- Taxes/*Investment Dividends*
- Books/*Democracy in Deficit; Markets and Morals; Privacy: How to Protect What's Left of It; Herland; The Technological Society*

No. 10, FEBRUARY 1980, $2.00

- The Late, Great Center/*Thomas W. Hazlett*
- Hutchins Himself/*Harvey Wheeler*
- Peter the Hermit and All the King's Men Persons/*Victor Bobb*
- Interview with Howard Ruff/*Robert Poole, Jr.*
- Look What the Stork Brought to Phoenix/*Sarah E. Foster*
- Editorial (Poole)/*SALT and Defense*
- Viewpoint (Reynolds)/*Does Monopoly Cause Inflation?*
- Spotlight/*Antony Fisher*
- Money/*Precious Stones: Scouting the Frontier*
- Television/*Connections*
- Books/*Franklin D. Roosevelt and American Foreign Policy; A Crisis for the American Press; Deciding What's News; Almost Persuaded: American Physicians and Compulsory Health Insurance, 1912-1920; Food for the Future*

No. 11, MARCH 1980, $2.00

- Radiation Fantasies/*Bernard L. Cohen*
- The Tucson Tritium Trials/*Marshall Brucer*
- SALT-Free Defense/*Ron Paul*
- Slash Your Phone Bill/*Mark Skousen*
- Private Voting/*Derek Brownlee*
- Editorial (Poole)/*Post-Afghanistan Foreign Policy*
- Viewpoint (Rothbard)/*Collective Guilt in Iran*
- Spotlight/*Fred Schnaubelt*
- Taxes/*As April Approaches*
- Books/*The Politics of War; After Reason; Less Than Words Can Say; Rudebarbs; Good as Gold*

No. 12, APRIL 1980, $2.00

- American Gestapo/*John D. Lewis, Jr.*
- Thoughts for Taxing Times/*H. D. Watkins and Jim Molnar*
- Who Gets to Destroy Alaska?/*Chuck House*
- Salvaging Our Cities/*Stuart M. Butler*
- Interview with Ernest Fitzgerald/*Robert Poole, Jr.*
- Editorial (Poole)/*War for Oil?*
- Viewpoint (Davidson)/*On Shoe Clerks and Tennis Courts*
- Spotlight/*Gordon Nelson*
- Money/*Following the Moving Averages*
- Music/*Under the Gun: A Review of Shostakovich's Autobiography*
- Books/*Free to Choose; Defending My Enemy; Energy from Heaven and Earth; Energy: The Created Crisis*

Back Issue Department
Reason
Box 40105
Santa Barbara, CA 93103

Please send me one copy of each of the 1979-80 back issues which I have circled:

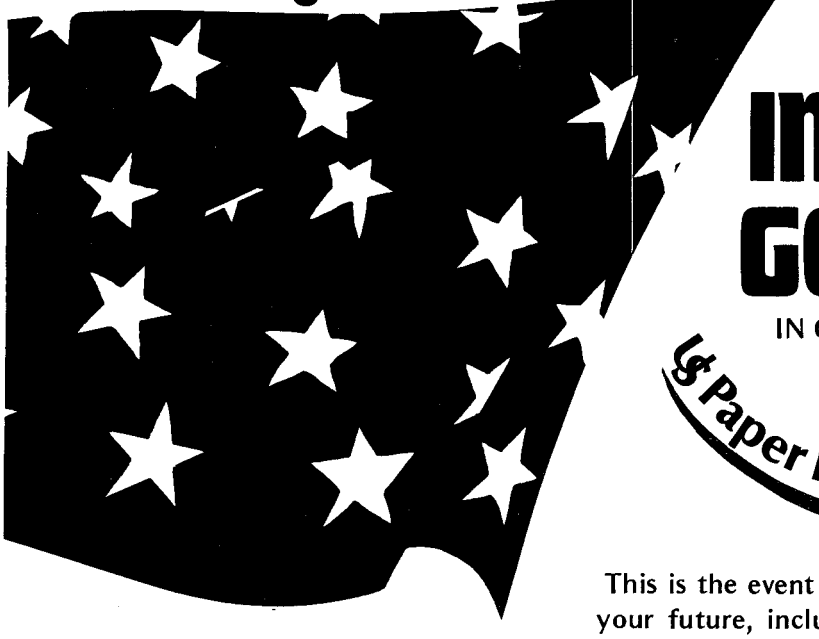
1 2 3 4 5 6 7 8 9 10 11 12

I am enclosing full payment for all back issues I ordered, in the amount of $ _____

NAME _____

ADDRESS _____

CITY/STATE/ZIP _____



Advance Notice . . .

National INFLATION AND GOLD SEMINAR

IN CHICAGO – MEMORIAL DAY WEEKEND
MAY 24th, 25th and 26th, 1980

Presented by
US Paper Exchange / Tempor Corporation

This is the event to attend if you want to make decisions affecting your future, including your investments, based on knowledgeable, independent conclusions. Providing information toward this end, THE SPEAKERS INCLUDE:

- Men who agree that capitalism is the system under which man can obtain the greatest possible freedom and prosperity; that a 100% gold standard is a prerequisite of this goal.
- Investment counselors who have made outstandingly profitable recommendations; who will give clear reasons upon which they base projections.
- Advocates of 'Austrian School' economics who can explain what the consequences will be of economic policies presently pursued and what is required to attain a better end.
- Individuals who understand the widest implications of the economic and political events occuring worldwide; what the right system is and how to achieve it.

In short, you will hear leading defenders of capitalism and successful investment advisors who will offer the opportunity to acquire the tools necessary to secure a better future. Write to us for a detailed brochure listing speakers, registration fee, etc.

US Paper Exchange sells gold and silver because we are convinced that it is the most conservative way to store your wealth during inflationary times.

US PAPER EXCHANGE®
division of Tempor Corporation

"buyer and seller of gold and silver"

1129 Washington Avenue South • Minneapolis, Minnesota 55415 • Phone: (800) 328-4071 or (612) 339-2801